

## Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name	County
Fiscal Year End	Opinion Date	Date Audit Report Submitted to State	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

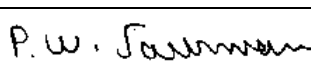
YES  
NO

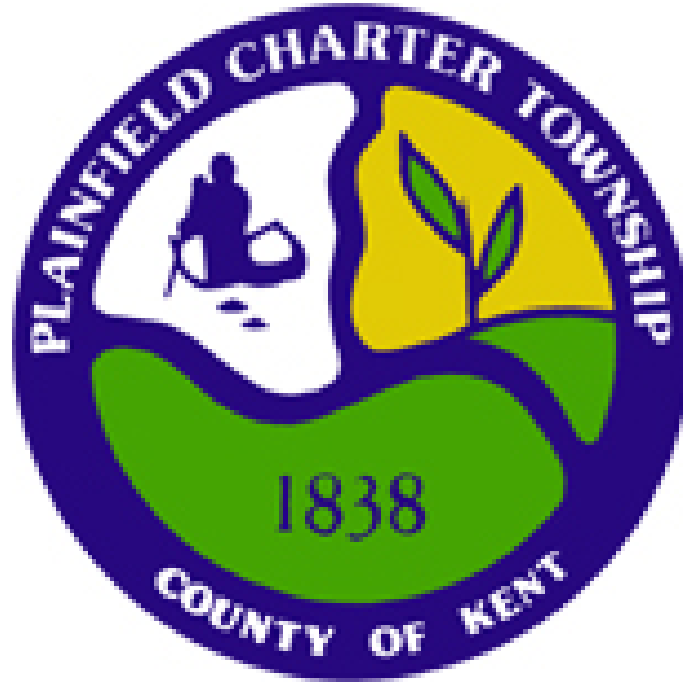
**Check each applicable box below.** (See instructions for further detail.)

1. ☐ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☐ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☐ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☐ ☐ The local unit has adopted a budget for all required funds.
5. ☐ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☐ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☐ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☐ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☐ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☐ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☐ ☐ The local unit is free of repeated comments from previous years.
12. ☐ ☐ The audit opinion is UNQUALIFIED.
13. ☐ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☐ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☐ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

<b>We have enclosed the following:</b>	Enclosed	Not Required (enter a brief justification)		
Financial Statements	<input type="checkbox"/>			
The letter of Comments and Recommendations	<input type="checkbox"/>			
Other (Describe)	<input type="checkbox"/>			
Certified Public Accountant (Firm Name)		Telephone Number		
Street Address		City	State	Zip
Authorizing CPA Signature 	Printed Name		License Number	



***COMPREHENSIVE ANNUAL FINANCIAL REPORT***

***PLAINFIELD CHARTER TOWNSHIP***

***COUNTY OF KENT, MICHIGAN***

**FOR THE YEAR ENDED DECEMBER 31,**

**2005**

**PLAINFIELD CHARTER TOWNSHIP**

**COUNTY OF KENT, MICHIGAN**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2005**

**Prepared By:**  
Accounting Department  
Plainfield Charter Township  
Belmont, Michigan

**PLAINFIELD CHARTER TOWNSHIP**  
**Table of Contents**

For the year ended December 31, 2005

---

**Introductory Section**

Letter of Transmittal .....	i – iv
Certificate of Achievement .....	v
List of Principal Officials .....	vi-vii
Organizational Chart of the Township Government .....	ix

**Financial Section**

<i>Independent Auditor's Report</i> .....	1
<i>Management's Discussion and Analysis</i> .....	3
<i>Basic Financial Statements</i> .....	14
Government-wide Financial Statements:	
Statement of Net Assets.....	15
Statement of Activities .....	16
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet .....	18
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities.....	19
Statement of Revenues, Expenditures and Changes in Fund Balances .....	20
Reconciliation of the Statement of Revenues, Expenditures and Changes In Fund Balances of Governmental Funds to the Statement of Activities .....	21
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual: General Fund.....	22
Proprietary Funds:	
Statement of Net Assets.....	23
Statement of Revenues, Expenses, and Changes in Fund Net Assets.....	24
Statement of Cash Flows .....	25

**PLAINFIELD CHARTER TOWNSHIP**  
**Table of Contents**

For the year ended December 31, 2005

---

Fiduciary Funds:

Statement of Fiduciary Net Assets.....	27
--	----

Notes to Basic Financial Statements .....	28
---	----

*Supplementary Information*

Combining and Individual Fund Statements and Schedules:

General Fund .....	45
Comparative Balance Sheet .....	46
Comparative Schedule of Revenues .....	47
Comparative Schedule of Expenditures .....	48

Nonmajor Governmental Funds.....	49
Combining Balance Sheet.....	50

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances.....	52
---	----

Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual:

Public Improvement Special Revenue Fund .....	54
Lighting District Special Revenue Fund .....	55
Stormwater Management Special Revenue Fund .....	56
Lake Improvement Special Revenue Fund .....	57
Building Department Special Revenue Fund.....	58

Agency Funds .....	59
Combining Statement of Changes in Assets and Liabilities .....	60

Other Information:

Summary of 2004 Taxes Levied and Collected.....	62
---	----

Schedule of Indebtedness .....	64
--------------------------------	----

**Internal Control and Compliance**

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	67
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**PLAINFIELD CHARTER TOWNSHIP**  
**Table of Contents**

For the year ended December 31, 2005

---

**Statistical Section**

Net Assets By Component .....	70
Changes in Net Assets .....	71
Fund Balances, Governmental Funds .....	74
Changes In Fund Balances, Governmental Funds.....	76
Tax Revenues By Source, Governmental Funds .....	78
State Equalized Value and Estimated Actual Value of Taxable Property .....	80
Property Tax Rates - Direct and Overlapping Governments .....	82
Principal Property Taxpayers .....	84
Property Tax Levies and Collections .....	85
Ratios Of Outstanding Debt By Type.....	86
Ratios Of General Bonded Debt Outstanding .....	88
Direct and Overlapping Governmental Activities Debt.....	89
Legal Debt Margin Information .....	90
Pledged-Revenue Coverage .....	92
Demographic Statistics.....	93
Principal Employers .....	94
Full-Time Equivalent Township Employees By Function.....	95
Operating Indicators By Function.....	96
Capital Assets Statistics By Function/Program .....	97

# PLAINFIELD CHARTER TOWNSHIP

P.O. BOX 365 • 6161 BELMONT AVENUE • BELMONT, MICHIGAN • 49306-0365

KENT COUNTY

PHONE: (616) 364-8465 • Fax: (616) 364-6537

[www.plainfieldchartertp.org](http://www.plainfieldchartertp.org)

## SUPERVISOR

GEORGE K. MEEK

## CLERK

SUSAN L. MORROW

[morrows@plainfieldchartertp.org](mailto:morrows@plainfieldchartertp.org)

## TREASURER

JAMES W. STOVER

[stoverj@plainfieldchartertp.org](mailto:stoverj@plainfieldchartertp.org)

## TRUSTEES

REBECCA L. BOREK

JACK HAGEDORN

ROBERT W. HEINDRICHS

WILLIAM J. PARRIS

## MANAGER

ROBERT C. HOMAN

[homan@plainfieldchartertp.org](mailto:homan@plainfieldchartertp.org)

April 22, 2006

Members of the Board of Trustees and  
Citizens of Plainfield Charter Township:

With this letter we are submitting the Comprehensive Annual Financial Report (CAFR) of Plainfield Charter Township for fiscal year 2005, ending December 31, 2005. Plainfield Township is responsible for both the accuracy of the data contained in this report, as well as the complete and fair presentation, including all disclosures. To the best of our knowledge and belief, the enclosed data are accurate in all material respects, and the data are reported in a manner that is designed to fairly present the financial positions and results of the operations of the various funds and component unit of Plainfield Township. We have included all disclosures that the reader needs to understand the Township's financial activities.

This comprehensive annual financial report is presented in three sections: introductory, financial and statistical. This transmittal letter, the Township's organization chart, and a list of principal officials are included in the introductory section. The financial section includes the basic financial statements and the combining and individual fund financial statements and schedules, as well as the independent auditor's report on these financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

The CAFR includes all funds of Plainfield Township, as well as its component unit. Component units are legally separate entities for which the primary government is financially accountable. The Comstock Park Downtown Development Authority is a component unit, whose financial reports are discretely presented in a separate column in the government-wide financial statements to emphasize that it is legally separate from the primary government and to differentiate its financial position and changes in financial position from those of Plainfield Township.

State law mandates that Plainfield Township provide certain governmental functions, such as assessing property, collecting and distributing taxes to various local government entities, and conducting elections. Other services provided include planning and zoning, building permits and inspections, administration and maintenance of two cemeteries, parks and recreation, public water and sewer systems, fire protection and emergency medical services, and the operation and maintenance of several Township-owned buildings. Through its representative, Plainfield Township participates as a member of the North Kent Sewer Authority (NKSA) with four other municipalities. The Authority is a distinct and separate unit of government, having its own financial reporting requirements. The Township is responsible, through its Sewer Enterprise Fund, for paying its obligatory share of the Authority's debt service and operational costs. This share is based on the current metered flow of wastewater from the Township's collection system compared to the metered flow of all of the participating communities. Over the past several years, Plainfield Township has been working with its NKSA partner communities to investigate the possibility of building and operating a wastewater treatment facility to separate the NKSA flow from the City of



*"Rolling Plains and Beautiful Fields"*

Grand Rapids system. We have been referring to this facility as a “Clean Water Plant” (CWP) because the design and expected level of treatment is far better than that which Grand Rapids’ plant provides and will not degrade the waters of the Grand River. During 2005, the NKSA decided to build the CWP rather than enter into a new contract with Grand Rapids to treat our wastewater. Site preparation began near the end of 2005. Construction is estimated to continue through most of 2008 and the CWP is projected to go on-line near the end of 2008. Customers of Plainfield Charter Township’s Sewer System will see increases in their rates attributed to the construction and operation of the new CWP.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of management’s discussion & analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Plainfield Charter Township’s MD&A can be found on pages 4-13.

## **Government Structure, Local Economic Condition and Outlook**

Plainfield Township was established in 1838 as a township, and in 1978 became a charter township by resolution of the Township Board. A Superintendent, serving at the pleasure of the seven-member Board of Trustees, provides the day-to-day management of Plainfield Charter Township. The Township Treasurer and Township Clerk also serve as full-time administrators, executing the statutory duties of their offices. Encompassing an area of 36 square miles, Plainfield Township has a 2000 Census population of 30,195. The Township’s Total Taxable Value for 2005 is \$1,017,597,045. Seventy-four percent of this is residential, and 18% is commercial.

Over the past five years, unemployment in Plainfield Township averaged 4.2%, compared to a statewide average of 6.4%. Building permits have held fairly steady at just over 600 annually for the past five years. The value of the new construction represented by those permits has increased from approximately \$48,000,000 in 1999 to over \$64,000,000 in 2005. Plainfield Township is the home of the West Michigan Whitecaps Baseball organization, whose stadium is located adjacent to US 131 in the Comstock Park area of the Township.

The property tax base is very diversified, with the ten largest property tax payers comprising only 7.0% of the total, and the largest property tax payer being Wynalda Litho, Inc. at 1.2% of the total. Home sales and home values continue to increase, with a wide variety of housing choices available for all income levels.

Plainfield Avenue has been a growing and developing commercial corridor for the past 45 years. In the past few years, a significant number of older buildings and vacant parcels have been torn down or developed as new commercial uses. This trend is expected to continue, as local and regional business enterprises recognize the profitability of serving the market area of Plainfield Township and adjacent communities. The Plainfield Charter Township Board will be considering the establishment of a “Corridor Improvement Authority” in conjunction with Grand Rapids Township for the purpose of enhancing redevelopment of the corridor and maintaining its viability.

These and many other developments in Plainfield Township reflect the Township’s desirability for businesses and residents. The water and sewer infrastructure in Plainfield Township have been expanded and improved over the past decade to provide for anticipated growth. The Township’s property tax rate is relatively low for a community of our size, and the quality of the schools in the area also makes Plainfield Township attractive for new residents and new businesses.

## **Financial Information**

Management of Plainfield Township is responsible for establishing and maintaining internal control designed to ensure that the assets of the Township are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.



- **Budgetary Controls**

The Township maintains budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Township Board. Activities of the General Fund, Special Revenue Funds, and Enterprise Funds, as well as the activities of the DDA, are included in the annual appropriated budget. The level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount) for fiscal year 2005 was the functional level within each fund; however, management requires tighter budgetary awareness and attention from department managers down to the line item level. Unexpended amounts lapse at year end; however, funding for committed capital projects is generally reappropriated as part of the following year's budget.

As demonstrated by the statements and schedules included in the financial section of this report, Plainfield Township continues to meet its responsibility for sound financial management.

- **Cash Management Policies and Practices**

Plainfield Charter Township's policy is to invest its funds in a manner that will provide the highest investment return with the maximum security, while meeting the daily cash flow needs of the Township and complying with all state statutes governing the investment of public funds. During the year, temporarily idle cash was invested in certificates of deposit, commercial paper, and investment pools as permitted by State law and Township policy.

At year-end, 19% of Township funds were invested in Bank One Bank's money market account, earning 3.91% interest, 18% in Huntington Bank – FHLB and money market accounts, earning 4.29% interest, 8% in Huntington Capital – FHLB, earning 3.95% interest, 24% in Kent County's investment pool, earning 3.70% interest, 10% in MBIA's investment pool earning 4.11% interest, 9% in Choice One Bank – Certificate of Deposits, earning 4.03% interest, 6% in National City Bank's money market account, earning 3.39% interest, 5% in Bear, Stearns Securities – FHLB and FNMA, earning 3.74%, 1% in LSI Credit Union money market account, earning 3.35%.

Investment earnings were affected by various factors: major capital expenditures resulting in less funds available for investment, length of investment maturities, interest rate environment, and fluctuations in market value of the underlying security.

- **Risk Management**

During fiscal year 2005, Plainfield Township participated in two public entity risk pools. The Michigan Township Participating Plan provided insurance coverage for liability, auto, crime, and property damage risks. The Michigan Municipal Liability and Property Pool provided coverage for workers' compensation.

The Township also maintains, on behalf of its 10 full-time firefighters, a disability policy from Continental Casualty Company that integrates benefits with workers' compensation benefits, providing this class of employee a benefit at least equal to their average weekly wage while off work due to a duty-related injury.

- **Independent Audit Requirements**

State statutes (MCL 141.425) require financial records, accounts and procedures to be audited annually by a certified public accountant selected by the township or by the state treasurer if the township fails to do so. The accounting firm of Hungerford, Aldrin, Nichols & Carter, PC was selected by Plainfield Township to perform the audit for the fiscal year of 2005. The auditor's report on the basic financial statements and combining and individual funds statements and schedules are included in the financial section of this report.

- **Governmental Accounting Standards Board – Statement No. 34**

The Governmental Accounting Standards Board (GASB), Statement Number 34, has completely revised how state and local governments report their finances to the public. The Township's accounting staff has prepared financial statements that are fully compliant beginning in fiscal year 2002.

One of the main differences between our previous years' financial statements and the new GASB 34 compliant financial statements is the emphasis on the economic cost of delivering services to our citizens. Measuring the cost-benefit relationships of government activities has been difficult in the past. These new statements provide our elected and appointed officials useful information to make efficient and effective use of taxpayer dollars and give the readers of our statements better ability to evaluate how we are doing.

### **Awards**

The Governmental Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Plainfield Charter Township for its comprehensive annual financial report for the fiscal year ended December 31, 2004. This was the fourth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that the current comprehensive annual financial report continues to meet the Certificate of Achievement program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

### **Acknowledgements**

The preparation of these statements could not have been accomplished without the efficient and dedicated services of the entire staff of Plainfield Township. We extend our recognition and appreciation especially to those employees and officials who directly assisted in the preparation of these statements. The Township Board should also be recognized for their support to the accounting department in giving them the tools needed to prepare accurate financial statements.

Sincerely,

  
Robert C. Homan, Township Superintendent

  
Warren T. Smith, CMA, Accounting Manager



## Plainfield Charter Township Board of Trustees

### Supervisor

George K. Meek

### Clerk

Susan L. Morrow

### Treasurer

James W. Stover

### Trustees

Rebecca L. Borek

Robert W. Heindrichs

William J. Parris

Jack Hagedorn

## Township Superintendent

Robert C. Homan

## Boards, Committees, Commissions

Board of Review

Building Board of Appeals

Comstock Park Downtown Development Authority

Planning Commission

Zoning Board of Appeals

Library Advisory Committee

Parks and Recreation Committee

Historical Advisory Committee

Public Safety Advisory Committee

Senior Citizens Advisory Committee

Budget & Finance Committee

Infrastructure Committee

Personnel Committee

## Department Heads

### Accounting Department

Warren Smith

### Assessing Department

Judy La Fave

### Buildings and Grounds

Ronald Walker

### Clerk's Department

Susan Morrow

### Community Development Department

William Fischer

### Fire Department

David Peterson

### Manager's Department

Robert Homan

### Parks and Recreation

John Short

### Treasurer's Department

James Stover

### Water Department

Vincent Ferrarese

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Plainfield Charter Township,  
Michigan

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2004

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Carla E. Perry*

President

*Jeffrey R. Enen*

Executive Director



## Plainfield Charter Township Board of Trustees

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Robert Homan

### Parks and Recreation

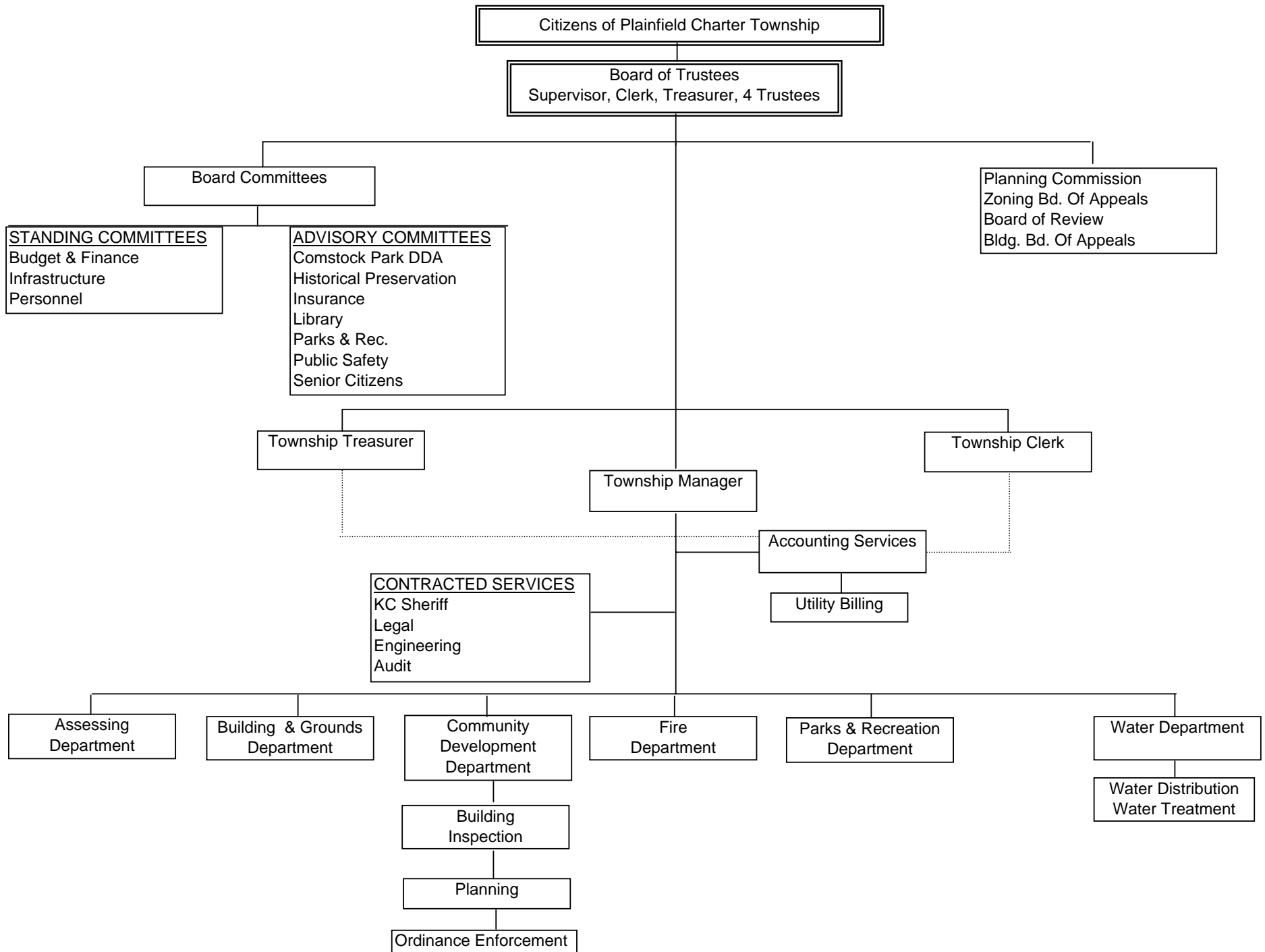
John Short

### Treasurer's Department

James Stover

### Water Department

Vincent Ferrarese





Hungerford, Aldrin,  
Nichols & Carter, P.C.  
CPAs AND CONSULTANTS

**INDEPENDENT AUDITOR'S REPORT**

March 10, 2006

The Township Board  
Plainfield Charter Township  
Kent County, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of Plainfield Charter Township (the "Township") as of and for the year ended December 31, 2005, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the elected officials and management of the Township. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial statements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of Plainfield Charter Township as of December 31, 2005, and the respective changes in financial position and cash flows of its proprietary fund types for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2006, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The introductory section, the supplementary information and the statistical section as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of Plainfield Charter Township. Such information, except for the portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Hungerford, Alden, Nichols & Martin, P.C.*

Certified Public Accountants

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**PLAINFIELD CHARTER TOWNSHIP**  
**Management's Discussion and Analysis**  
**December 31, 2005**

---

As management of *Plainfield Charter Township, Kent County, Michigan*, we offer readers of the Township's financial statements this narrative overview and analysis of the financial activities of the Township for the fiscal year ended December 31, 2005. We encourage readers to consider the information presented here in conjunction with additional information that is furnished in the financial statements and notes to the financial statements.

**Financial Highlights**

- The assets of the Township exceeded its liabilities at the close of the most recent fiscal year by \$61,300,354 (net assets). Of this amount, \$16,894,597 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$3,311,773.
- As of the close of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$3,164,950, an increase of \$200,620 in comparison with the prior year. Approximately 69% of the ending fund balance, or \$2,177,486, is *available for spending* at the government's discretion (*unreserved, undesignated fund balance*).
- At the end of the current fiscal year, unreserved, undesignated fund balance for the general fund was \$2,177,486, or 35 percent of total general fund expenditures.
- The Township's total indebtedness decreased by \$1,495,430 to a total of \$18,274,310 during the current fiscal year.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Township's basic financial statements. The Township's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the Township's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the Township's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Township is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Township that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Township include general government, public safety, public works, recreation and cultural, building inspection, community development and operation of the community center. The business-type activities of the Township include water and sewer operations.

**PLAINFIELD CHARTER TOWNSHIP**  
**Management's Discussion and Analysis**  
**December 31, 2005**

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The government-wide financial statements include not only Plainfield Township itself (known as the primary government), but a legally separate Downtown Development Authority for which the Township is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 15-17 of this report.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Township can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Township maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and the capital projects fund, both of which are considered to be major funds. Data from the other five governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Township adopts an annual appropriated budget. Budgetary comparison statements or schedules have been provided herein to demonstrate compliance with those budgets.

The basic governmental fund financial statements can be found on pages 18-22 of this report.

**Proprietary funds.** The Township maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Township uses enterprise funds to account for its sewer and water system operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the sewer and water operations, both of which are considered to be major funds of the Township.

The basic proprietary fund financial statements can be found on pages 23-26 of this report.

**PLAINFIELD CHARTER TOWNSHIP**  
**Management's Discussion and Analysis**  
**December 31, 2005**

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**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the Township's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statement can be found on page 27 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29-44 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *supplementary information*. This includes combining and individual fund statements and schedules, and a schedule of indebtedness on pages 46-66.

#### **Government-wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Plainfield Charter Township, assets exceeded liabilities by \$61,300,354 at the close of the most recent fiscal year.

By far the largest portion of the Township's net assets (70 percent) reflects its investment in capital assets (e.g., land, buildings, vehicles, equipment and infrastructure) less any related debt used to acquire those assets that is still outstanding. The Township uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Township's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

<b>Plainfield Charter Township's Net Assets</b>						
	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Current and other assets	\$ 7,396,429	\$ 6,689,280	\$ 16,597,462	\$ 18,186,123	\$ 23,993,891	\$ 24,875,403
Capital assets	10,071,599	10,372,605	50,714,842	46,009,249	60,786,441	56,381,854
Total assets	17,468,028	17,061,885	67,312,304	64,195,372	84,780,332	81,257,257
Long-term liabilities outstanding	3,065,910	3,469,904	13,616,955	13,940,319	16,682,865	17,410,223
Other liabilities	4,385,710	4,071,117	2,411,403	1,787,336	6,797,113	5,858,453
Total liabilities	7,451,620	7,541,021	16,028,358	15,727,655	23,479,978	23,268,676
Net assets:						
Invested in capital assets, net of related debt	7,006,368	6,642,605	36,029,685	31,062,249	43,036,053	37,704,854
Restricted	279,569	244,905	1,090,135	1,188,015	1,369,704	1,432,920
Unrestricted	2,730,471	2,633,354	14,164,126	16,217,453	16,894,597	18,850,807
Total net assets	<u>\$10,016,408</u>	<u>\$ 9,520,864</u>	<u>\$ 51,283,946</u>	<u>\$ 48,467,717</u>	<u>\$ 61,300,354</u>	<u>\$ 57,988,581</u>

**PLAINFIELD CHARTER TOWNSHIP**  
**Management's Discussion and Analysis**  
**December 31, 2005**

An additional portion of the Township's net assets (2 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (28 percent or \$16,894,597) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Township is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

The government's net assets increased by \$3,311,773 during the current fiscal year.

**Plainfield Charter Township's Changes in Net Assets**

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Revenue:						
Program revenue:						
Charges for services	\$1,511,995	\$1,367,730	\$7,442,816	\$8,037,724	\$8,954,811	\$9,405,454
Operating grants and contributions	172,598	154,278	-	-	172,598	154,278
Capital grants and contributions	267,289	32,063	1,331,440	1,071,358	1,598,729	1,103,421
General revenue:						
Property taxes	3,106,988	2,954,135	-	-	3,106,988	2,954,135
State sources	2,155,946	2,201,220	-	-	2,155,946	2,201,220
Other	133,111	124,715	467,259	241,595	600,370	366,310
Total revenue	\$7,347,927	\$6,834,141	\$9,241,515	\$9,350,677	\$16,589,442	\$16,184,818

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Expenses:						
General government	\$2,469,786	\$2,566,452	\$-	\$-	\$2,469,786	\$2,566,452
Public safety	2,982,464	2,898,776	-	-	2,982,464	2,898,776
Public works	604,465	443,774	-	-	604,465	443,774
Parks and recreation	516,584	416,544	-	-	516,584	416,544
Insurance	131,510	121,302	-	-	131,510	121,302
Interest on long-term debt	122,574	134,345	-	-	122,574	134,345
Sewer	-	-	2,503,299	2,351,971	2,503,299	2,351,971
Water	-	-	3,946,987	3,717,555	3,946,987	3,717,555
Total expenses	6,827,383	6,581,193	6,450,286	6,069,526	13,277,669	12,650,719

Increase in net assets before transfers	520,544	252,948	2,791,229	3,281,151	3,311,773	3,534,099
Transfers	(25,000)	-	25,000	-	-	-
Increase in net assets	495,544	252,948	2,816,229	3,281,151	3,311,773	3,534,099
Net assets - beginning of year	9,520,864	9,267,916	48,467,717	45,186,566	57,988,581	54,454,482
Net assets - end of year	\$10,016,408	\$9,520,864	\$51,283,946	\$48,467,717	\$61,300,354	\$57,988,581

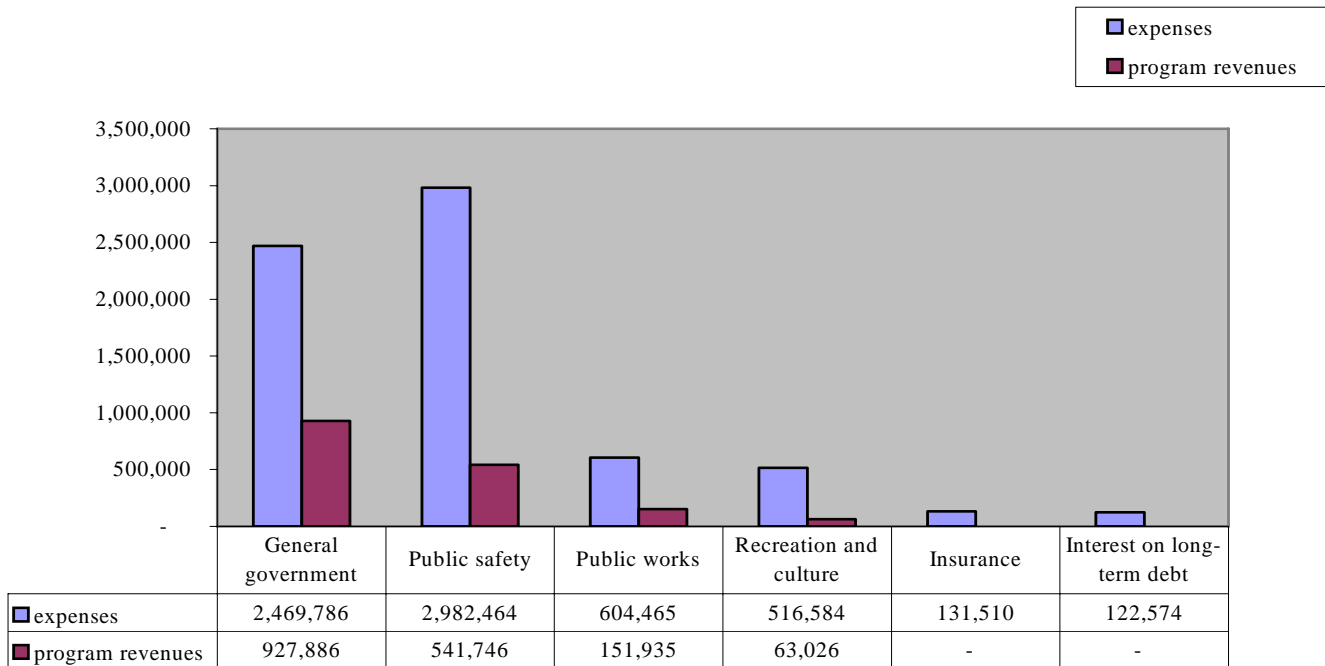
**PLAINFIELD CHARTER TOWNSHIP**  
**Management's Discussion and Analysis**  
**December 31, 2005**

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**Governmental activities.** Governmental activities increased the Township's net assets by \$495,544. Key elements of this increase are as follows:

- Water, sewer, and building fund reimbursement to the General Fund was up by \$49,000.
- Charges for services was up by \$144,000.
- Did not spend \$57,000 due to no elections in 2005.
- Tax administration reduced by \$46,000 due to more work done internally.
- Increase in property tax revenue due to increase in property values.

**Expenses and Program Revenues - Governmental Activities**



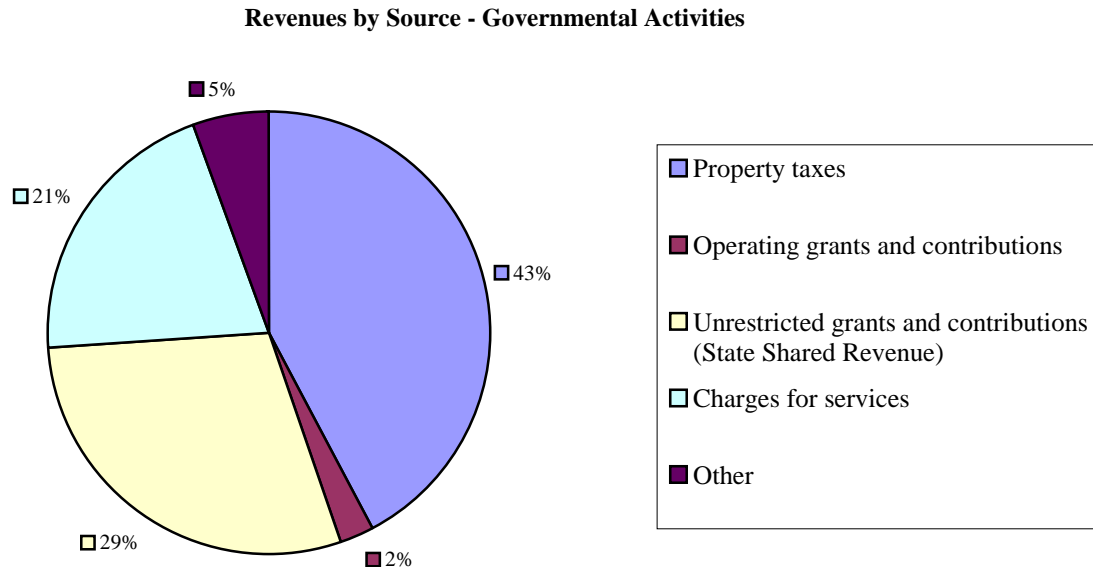


**PLAINFIELD CHARTER TOWNSHIP**  
**Management's Discussion and Analysis**  
**December 31, 2005**

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**Revenues by Source - Governmental Activities**

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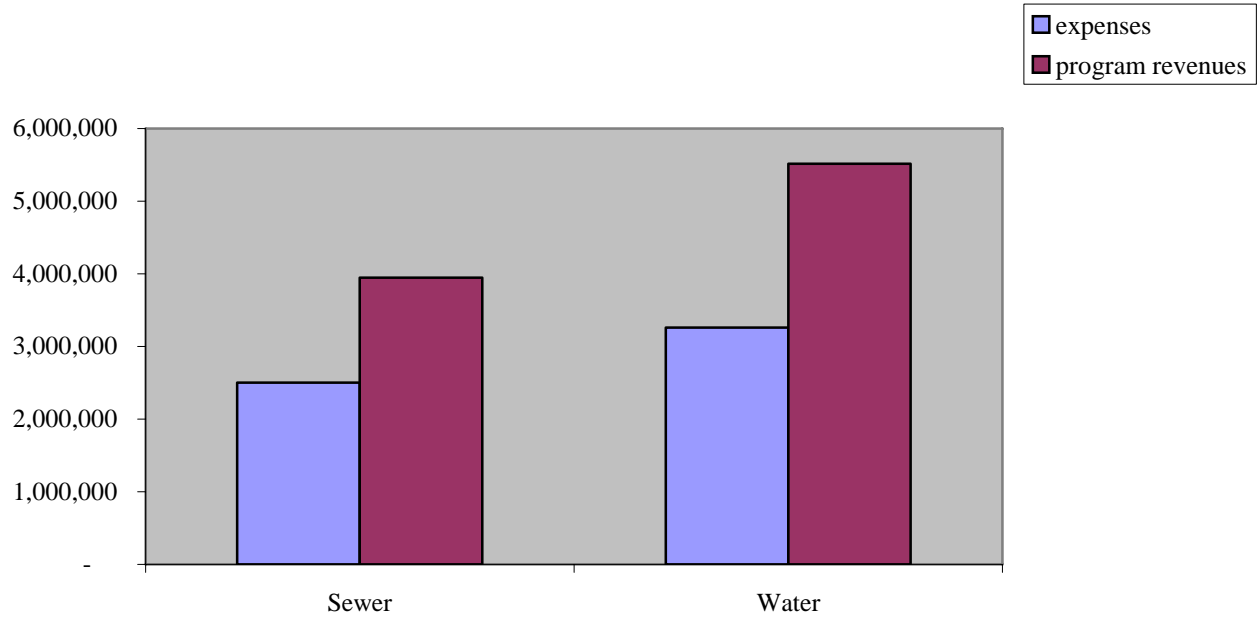
**Business-type activities.** Business-type activities increased the Township's net assets by \$2,816,229. Operating revenues in the Sewer Fund remained almost the same as 2004, and operating revenues in the Water Fund increased by approximately \$400,000 from 2004. Connection charges decreased about \$100,000 in the Sewer Fund and over \$600,000 in the Water Fund. Sewer Fund expenses were up \$160,000 from 2004 and Water Fund expenses were up by approximately \$225,000 from 2004. Key elements of these changes are as follows:

- In 2004 there were contributions from a private party of \$123,000 and \$424,000 in sewer and water, respectively, which made connection fees appear higher.
- Interest revenue increased in 2005 by \$62,000 and \$90,000 in sewer and water, respectively.
- Sewer system operation and maintenance of underground systems and lift stations was up \$139,000 from 2004.
- Water Fund public information program expenses increased by \$20,000.
- Water Fund chemicals expense increased by \$19,000.
- Water Fund utilities expense increased by \$61,000.
- Water Fund depreciation expense increased by \$97,000.

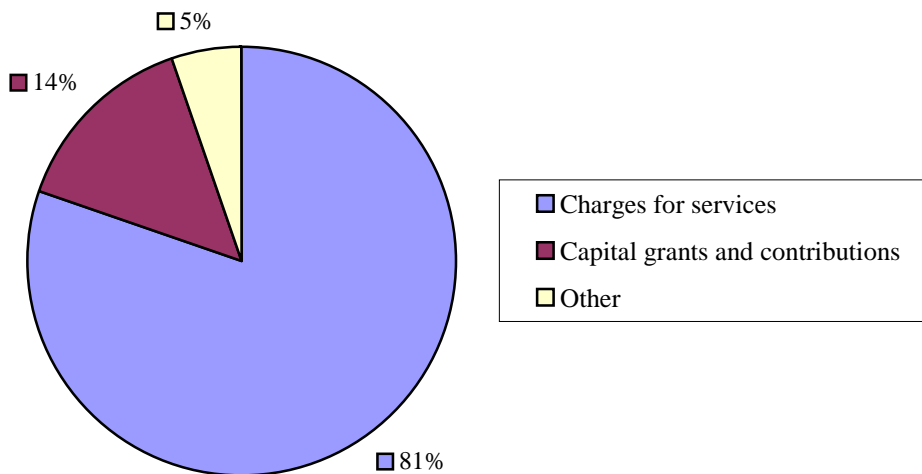
**PLAINFIELD CHARTER TOWNSHIP**  
**Management's Discussion and Analysis**  
**December 31, 2005**

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**Expenses and Program Revenues – Business-type Activities**



**Revenues by Source - Business-type Activities**



**PLAINFIELD CHARTER TOWNSHIP**  
**Management's Discussion and Analysis**  
**December 31, 2005**

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**Financial Analysis of the Government's Funds**

As noted earlier, the Township uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

*Governmental funds.* The focus of the Township's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Township's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$3,164,950, an increase of \$200,620 in comparison with the prior year. Approximately two-thirds of this total amount (\$2.2 million) constitutes *unreserved, undesignated fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *reserved or designated* to indicate that it is not available for new spending because it has already been committed or designated 1) to be used for street lighting (\$21,939), 2) to be used for lake improvements (\$2,225), 3) to be used for building department (\$255,405), 4) to be used for public improvement (\$446,981), 5) to be used for storm water management (\$150,758), or 6) to be used for special assessment projects (\$110,156).

The General Fund is the chief operating fund of the Township. At the end of the current fiscal year, unreserved, undesignated fund balance of the general fund was \$2,177,486, while total fund balance was \$2,287,642. As a measure of the general fund's liquidity, it may be useful to compare unreserved fund balance to total fund expenditures. Unreserved fund balance represents 35 percent of total general fund expenditures.

The fund balance of the Township's General Fund increased by \$100,424 during the current fiscal year compared to the budgeted decrease of \$246,471. This increase is attributable to several things, including an increase in inter-fund reimbursements of \$49,000, unspent capital outlay expenses of \$45,000, and unspent building maintenance & repair of \$26,000.

*Proprietary funds.* The Township's proprietary funds provide the same type of information found in the government wide financial statements, but in more detail.

Unrestricted net assets of the Sewer and Water Funds at the end of the year amounted to \$8,029,270 and \$6,134,856, respectively. The Sewer Fund had an increase in net assets for the year of \$1,009,272, and the Water Fund had an increase of \$1,806,993. Other factors concerning the finances of these two funds have already been addressed in the discussion of the Township's business-type activities.

**General Fund Budgetary Highlights**

During the year, General fund budget to actual comparisons were generally favorable.

The only significant budget modification during the year was an increase to the Road Construction budget for \$235,000.

**PLAINFIELD CHARTER TOWNSHIP**  
**Management's Discussion and Analysis**  
**December 31, 2005**

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**Capital Asset and Debt Administration**

**Capital assets.** The Township's investment in capital assets for its governmental and business type activities as of December 31, 2005, amounted to \$60,786,441 (net of accumulated depreciation). This investment in capital assets includes land, buildings and structures, systems, improvements, machinery and equipment, and park facilities.

Major capital asset events during the current fiscal year included the following:

- Complete Forest Ridge lift station rehabilitation for \$870,000.
- Belmont/Graphic Drive water and sewer extension project for \$697,000.
- Rockbluff-South water and sewer extension project for \$264,000.
- Grand River Watermain Crossing for \$1,232,000.
- West River/Cannonsburg Road watermain extension for \$411,000.
- Build new Water Service Center building for \$1,976,000.
- Paint and waterproof water plant for \$107,000.

**Plainfield Charter Township's Capital Assets**  
(net of depreciation)

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
Land	\$1,545,696	\$708,299	\$2,253,995
Construction in Progress	-	6,410,411	6,410,411
Buildings and Improvements	7,972,532	10,362,108	18,334,640
Machinery and Equipment	553,371	3,597,493	4,150,864
Utility Systems	-	29,636,531	29,636,531
<b>Total</b>	<b>\$10,071,599</b>	<b>\$50,714,842</b>	<b>\$60,786,441</b>

Additional information on the Township's capital assets can be found in Note D on pages 39 and 40 of this report.

**Long-term debt.** At the end of the current fiscal year, the Township had total bonded debt and installment purchase agreements outstanding of \$18,025,157. Of this amount, \$3,340,000 comprises debt backed by the full faith and credit of the government. The remainder of the Township's debt represents bonds secured by specified revenue sources (i.e., revenue bonds).

**PLAINFIELD CHARTER TOWNSHIP**  
**Management's Discussion and Analysis**  
**December 31, 2005**

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**Plainfield Charter Township's Outstanding Debt**  
General Obligation and Revenue Bonds

	<b><u>Governmental</u></b> <b><u>activities</u></b>	<b><u>Business-type</u></b> <b><u>activities</u></b>	<b><u>Total</u></b>
General obligation bonds and installment purchases	\$3,340,000	\$ -	\$ 3,340,000
Revenue bonds	<u>-</u>	<u>14,685,157</u>	<u>14,685,157</u>
<b>Total</b>	<b><u><u>\$3,340,000</u></u></b>	<b><u><u>\$14,685,157</u></u></b>	<b><u><u>\$18,025,157</u></u></b>

The Township's total debt decreased by \$1,487,706 (8 percent) during the current fiscal year. There was no new debt issued in 2005.

The Township has an "AAA" rating from Standard & Poor's.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation. The current debt limitation for the Township is \$110,538,700, which is significantly in excess of the Township's outstanding general obligation debt.

Additional information on the Township's long-term debt can be found in Note E on pages 41-43 of this report.

**Economic Factors and Next Year's Budgets and Rates**

The following factors were considered in preparing the Township's budget for the 2006 fiscal year:

- Increase in tax revenue due to higher taxable value of \$182,000.
- Township parking lot resurfacing for \$62,000.
- Oakwood Cemetery preparation for \$61,000.
- Increase in fire department expenses by \$184,000.
- Pavement and concrete at Versluis Park for \$80,000.
- Begin development of park on 10 Mile Road for \$100,000.
- Increase in sewer rates to increase revenues by \$245,000.
- Increase in sewer operation and maintenance by \$180,000.
- Increase in cost to process sewer by \$125,000.
- Decrease in water sales of \$100,000 due to water conservation program.
- New dump truck for water distribution department for \$75,000.

**Requests for Information**

This financial report is designed to provide a general overview of the Township's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Plainfield Charter Township, 6161 Belmont Ave. NE, Belmont, MI 49306.

**PLAINFIELD CHARTER TOWNSHIP**  
**Statement of Net Assets**  
**December 31, 2005**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
<b>Assets</b>				
<b>Current Assets</b>				
Cash	\$ 1,575	\$ 250	\$ 1,825	\$ -
Cash equivalents, deposits and investments (Note B)	2,924,329	12,021,074	14,945,403	595,032
Receivables:				
Taxes (Note A)	3,363,895	-	3,363,895	-
Accounts	17,658	1,180,291	1,197,949	-
Due from tax roll	-	40,090	40,090	-
Special assessments - current portion	56,000	149,600	205,600	-
Due from other governmental units	734,925	-	734,925	-
Inventory (Note A)	-	196,975	196,975	-
Prepaid expenses	59,767	25,883	85,650	-
<b>Total Current Assets</b>	<u>7,158,149</u>	<u>13,614,163</u>	<u>20,772,312</u>	<u>595,032</u>
<b>Noncurrent Assets</b>				
Restricted cash equivalents, deposits and investments (Note B)	-	1,186,415	1,186,415	-
Special assessments receivable - net of current portion	238,280	1,044,510	1,282,790	-
Unamortized bond issue costs	-	752,374	752,374	-
Capital assets, net of accumulated depreciation (Note D)	10,071,599	50,714,842	60,786,441	-
<b>Total Noncurrent Assets</b>	<u>10,309,879</u>	<u>53,698,141</u>	<u>64,008,020</u>	<u>-</u>
<b>Total Assets</b>	<u>17,468,028</u>	<u>67,312,304</u>	<u>84,780,332</u>	<u>595,032</u>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Accounts payable	221,907	1,152,678	1,374,585	1,287
Payroll withholdings	10,229	-	10,229	-
Accrued payroll and benefits	149,981	-	149,981	-
Accrued interest payable	19,511	96,280	115,791	-
Escrow deposits	3,292	-	3,292	-
Deferred revenue	3,551,790	-	3,551,790	-
Current portion of noncurrent liabilities	429,000	1,162,445	1,591,445	-
<b>Total Current Liabilities</b>	<u>4,385,710</u>	<u>2,411,403</u>	<u>6,797,113</u>	<u>1,287</u>
<b>Noncurrent Liabilities (Note E)</b>				
Accumulated vacation and sick leave payable	154,910	94,243	249,153	-
Capital improvement bonds payable	3,230,000	-	3,230,000	-
Revenue bonds payable	-	14,229,408	14,229,408	-
Special assessment bonds payable	-	455,749	455,749	-
Installment purchase agreement payable	110,000	-	110,000	-
Less current portion of noncurrent liabilities	(429,000)	(1,162,445)	(1,591,445)	-
<b>Total Noncurrent Liabilities</b>	<u>3,065,910</u>	<u>13,616,955</u>	<u>16,682,865</u>	<u>-</u>
<b>Total Liabilities</b>	<u>7,451,620</u>	<u>16,028,358</u>	<u>23,479,978</u>	<u>1,287</u>
<b>Net Assets</b>				
Invested in capital assets, net of related debt	7,006,368	36,029,685	43,036,053	-
Restricted for:				
Debt service	-	1,090,135	1,090,135	-
Building department	255,405	-	255,405	-
Lighting district	21,939	-	21,939	-
Lake improvement	2,225	-	2,225	-
Unrestricted	2,730,471	14,164,126	16,894,597	593,745
<b>Total Net Assets</b>	<u>\$ 10,016,408</u>	<u>\$ 51,283,946</u>	<u>\$ 61,300,354</u>	<u>\$ 593,745</u>

See accompanying notes to basic financial statements.

**PLAINFIELD CHARTER TOWNSHIP**  
**Statement of Activities**  
**For the year ended December 31, 2005**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
Governmental activities:				
General government	\$ 2,469,786	\$ 924,886	\$ 3,000	\$ -
Public safety	2,982,464	524,083	17,663	-
Public works	604,465	-	151,935	267,289
Recreation and cultural	516,584	63,026	-	-
Other township	131,510	-	-	-
Interest on long-term debt	122,574	-	-	-
Total governmental activities	<u>6,827,383</u>	<u>1,511,995</u>	<u>172,598</u>	<u>267,289</u>
Business-type activities:				
Sewer	2,503,299	2,420,500	-	840,459
Water	3,946,987	5,022,316	-	490,981
Total business-type activities	<u>6,450,286</u>	<u>7,442,816</u>	<u>-</u>	<u>1,331,440</u>
<b>Total Primary Government</b>	<u><u>\$ 13,277,669</u></u>	<u><u>\$ 8,954,811</u></u>	<u><u>\$ 172,598</u></u>	<u><u>\$ 1,598,729</u></u>
<b>Component Unit</b>				
Downtown development authority	<u><u>\$ 31,022</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

General revenues:  
Property taxes levied for:  
    General operations  
State revenue sharing  
Unrestricted investment earnings  
Gain on sale of capital assets  
Transfers

**Total General Revenues**

**Change in Net Assets**

**Net Assets - Beginning of Year**

**Net Assets - End of Year**

See accompanying notes to basic financial statements.

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	
\$ (1,541,900)	\$ -	\$ (1,541,900)	\$ -
(2,440,718)	-	(2,440,718)	-
(185,241)	-	(185,241)	-
(453,558)	-	(453,558)	-
(131,510)	-	(131,510)	-
(122,574)	-	(122,574)	-
(4,875,501)	-	(4,875,501)	-
-	757,660	757,660	-
-	1,566,310	1,566,310	-
-	2,323,970	2,323,970	-
(4,875,501)	2,323,970	(2,551,531)	-
-	-	-	(31,022)
3,106,988	-	3,106,988	161,924
2,155,946	-	2,155,946	-
104,460	467,259	571,719	13,714
28,651	-	28,651	-
(25,000)	25,000	-	-
5,371,045	492,259	5,863,304	175,638
495,544	2,816,229	3,311,773	144,616
9,520,864	48,467,717	57,988,581	449,129
<u>\$10,016,408</u>	<u>\$ 51,283,946</u>	<u>\$ 61,300,354</u>	<u>\$ 593,745</u>



**PLAINFIELD CHARTER TOWNSHIP**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2005**

	General	Other Governmental	Total
<b>Assets</b>			
Cash	\$ 1,575	\$ -	\$ 1,575
Cash equivalents, deposits and investments (Note B)	2,018,812	905,517	2,924,329
Receivables:			
Taxes (Note A)	3,216,460	147,435	3,363,895
Accounts	17,658	-	17,658
Special assessments	271,276	23,004	294,280
Due from other governmental units	734,925	-	734,925
Prepaid expenditures	58,308	1,459	59,767
<b>Total Assets</b>	<b>\$ 6,319,014</b>	<b>\$ 1,077,415</b>	<b>\$ 7,396,429</b>
 <b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ 201,380	\$ 20,527	\$ 221,907
Payroll withholdings	10,229	-	10,229
Accrued payroll and benefits	149,981	-	149,981
Escrow deposits	3,292	-	3,292
Deferred revenue	3,666,490	179,580	3,846,070
<b>Total Liabilities</b>	<b>4,031,372</b>	<b>200,107</b>	<b>4,231,479</b>
<b>Fund Balances</b>			
Reserved for:			
Building department	-	255,405	255,405
Lighting district	-	21,939	21,939
Lake improvement	-	2,225	2,225
Unreserved:			
Designated, reported in:			
General fund	110,156	-	110,156
Special revenue funds	-	597,739	597,739
Undesignated	2,177,486	-	2,177,486
<b>Total Fund Balances</b>	<b>2,287,642</b>	<b>877,308</b>	<b>3,164,950</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 6,319,014</b>	<b>\$ 1,077,415</b>	<b>\$ 7,396,429</b>

See accompanying notes to basic financial statements.

**PLAINFIELD CHARTER TOWNSHIP**  
**Reconciliation of Total Governmental Fund Balances to**  
**Net Assets of Governmental Activities**  
**December 31, 2005**

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<b>Total governmental fund balances</b>		<b>\$ 3,164,950</b>
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of assets is \$16,283,364 and accumulated depreciation is \$6,211,765		
		10,071,599
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:		
Capital improvement bonds payable	(3,230,000)	
Installment purchase agreement payable	<u>(110,000)</u>	(3,340,000)
Certain revenues are not recognized because they are not measurable and available:		
Special assessments receivable		294,280
Accrued interest is not included as a liability in governmental funds		(19,511)
Accumulated sick and vacation pay is not included as a liability in governmental funds		<u>(154,910)</u>
<b>Total net assets - governmental activities</b>		<b><u><u>\$ 10,016,408</u></u></b>

See accompanying notes to basic financial statements.

**PLAINFIELD CHARTER TOWNSHIP**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the year ended December 31, 2005**

	General	Other Governmental	Total
<b>Revenues</b>			
Taxes	\$ 3,106,988	\$ -	\$ 3,106,988
Licenses and permits	314,272	-	314,272
State sources	2,173,609	-	2,173,609
Charges for services	194,576	478,574	673,150
Fines and forfeitures	776	-	776
Interest and rentals	114,421	24,041	138,462
Other	561,310	183,734	745,044
<b>Total Revenues</b>	<b>6,465,952</b>	<b>686,349</b>	<b>7,152,301</b>
<b>Expenditures</b>			
Current:			
General government	2,364,517	-	2,364,517
Public safety	2,478,122	434,875	2,912,997
Public works	407,553	196,912	604,465
Recreational and cultural	398,654	-	398,654
Other township	131,510	-	131,510
Debt service:			
Principal repayment	390,000	-	390,000
Interest and fiscal charges	124,538	-	124,538
<b>Total Expenditures</b>	<b>6,294,894</b>	<b>631,787</b>	<b>6,926,681</b>
<b>Excess of Revenues Over Expenditures</b>	<b>171,058</b>	<b>54,562</b>	<b>225,620</b>
<b>Other Financing Sources (Uses)</b>			
Transfers in	5,366	51,000	56,366
Transfers out	(76,000)	(5,366)	(81,366)
<b>Total Other Financing Sources (Uses)</b>	<b>(70,634)</b>	<b>45,634</b>	<b>(25,000)</b>
<b>Net Change in Fund Balances</b>	<b>100,424</b>	<b>100,196</b>	<b>200,620</b>
<b>Fund Balances, January 1</b>	<b>2,187,218</b>	<b>777,112</b>	<b>2,964,330</b>
<b>Fund Balances, December 31</b>	<b>2,287,642</b>	<b>\$ 877,308</b>	<b>\$ 3,164,950</b>

See accompanying notes to basic financial statements.

**PLAINFIELD CHARTER TOWNSHIP**  
**Reconciliation of the Statement of Revenues, Expenditures**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**For the year ended December 31, 2005**

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**Net change in fund balances - total governmental funds** **\$ 200,620**

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is capitalized and the cost is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

Capital outlays	\$ 111,461	
Depreciation expense	<u>(403,300)</u>	(291,839)

On the Statement of Activities proceeds from the sale of capital assets are replaced by the gain (loss) on the transaction.		(9,167)
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As special assessments receivable will not be collected for several years after the Township's fiscal year ends, they are not considered "available" revenues in the governmental funds, and are instead counted as deferred revenues. They are, however, recorded as revenues in the Statement of Activities.		204,793
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Repayment of long-term liabilities is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Assets and does not affect the Statement of Activities:

Repayment of bonds	340,000	
Repayment of installment purchase agreement	<u>50,000</u>	390,000

Interest on long-term liabilities in the Statement of Activities differs from the amount reported on the governmental funds because interest is recorded as an expenditure in the funds when it is due and paid, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is paid.		1,964
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In the Statement of Net Assets, accumulated sick and vacation pay is measured by the amount earned during the year. In the governmental funds, however, expenditures are measured by the amount of financial resources used (essentially, the amounts actually paid). This year the amount of these benefits earned (\$179,151) exceeded the amounts used/paid (\$178,324).

(827)

**Total change in net assets - governmental activities**

\$ 495,544

See accompanying notes to basic financial statements.

**PLAINFIELD CHARTER TOWNSHIP**  
**General Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**For the year ended December 31, 2005**

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 3,133,086	\$ 3,106,514	\$ 3,106,988	\$ 474
Licenses and permits	304,800	304,800	314,272	9,472
State sources	2,203,973	2,203,973	2,173,609	(30,364)
Charges for services	249,000	191,000	194,576	3,576
Fines and forfeitures	2,200	800	776	(24)
Interest and rentals	93,000	107,000	114,421	7,421
Other revenue	456,675	491,875	561,310	69,435
<b>Total Revenues</b>	<b>6,442,734</b>	<b>6,405,962</b>	<b>6,465,952</b>	<b>59,990</b>
<b>Expenditures</b>				
Current:				
General government	2,555,752	2,472,352	2,364,517	107,835
Public safety	2,477,204	2,544,904	2,478,122	66,782
Public works	223,000	454,000	407,553	46,447
Recreation and cultural	486,627	444,127	398,654	45,473
Other township	136,050	146,050	131,510	14,540
Debt service:				
Principal repayment	390,000	390,000	390,000	-
Interest and fiscal charges	125,000	125,000	124,538	462
<b>Total Expenditures</b>	<b>6,393,633</b>	<b>6,576,433</b>	<b>6,294,894</b>	<b>281,539</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>49,101</b>	<b>(170,471)</b>	<b>171,058</b>	<b>341,529</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	50,000	-	5,366	5,366
Transfers out	(65,000)	(76,000)	(76,000)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(15,000)</b>	<b>(76,000)</b>	<b>(70,634)</b>	<b>5,366</b>
<b>Net Change in Fund Balances</b>	<b>34,101</b>	<b>(246,471)</b>	<b>100,424</b>	<b>346,895</b>
<b>Fund Balances, January 1</b>	<b>2,187,218</b>	<b>2,187,218</b>	<b>2,187,218</b>	<b>-</b>
<b>Fund Balances, December 31</b>	<b>\$ 2,221,319</b>	<b>\$ 1,940,747</b>	<b>\$ 2,287,642</b>	<b>\$ 346,895</b>

See accompanying notes to basic financial statements.

**PLAINFIELD CHARTER TOWNSHIP**  
**Statement of Net Assets**  
**Proprietary Funds**  
**December 31, 2005**

	Sewer	Water	Totals
<b>Assets</b>			
<b>Current Assets</b>			
Cash	\$ -	\$ 250	\$ 250
Cash equivalents, deposits and investments (Note B)	7,160,552	4,860,522	12,021,074
Receivables:			
Accounts	506,573	673,718	1,180,291
Due from tax roll	16,517	23,573	40,090
Special assessments (current portion)	90,800	58,800	149,600
Inventory (Note A)	-	196,975	196,975
Prepaid expenses	-	25,883	25,883
<b>Total Current Assets</b>	<u>7,774,442</u>	<u>5,839,721</u>	<u>13,614,163</u>
<b>Noncurrent Assets</b>			
Restricted cash equivalents, deposits and investments (Note B)	266,715	919,700	1,186,415
Special assessments receivable - net of current portion	715,870	328,640	1,044,510
Unamortized bond costs	-	752,374	752,374
Property, plant and equipment, net of accumulated depreciation (Note D)	14,161,007	36,553,835	50,714,842
<b>Total Noncurrent Assets</b>	<u>15,143,592</u>	<u>38,554,549</u>	<u>53,698,141</u>
<b>Total Assets</b>	<u>22,918,034</u>	<u>44,394,270</u>	<u>67,312,304</u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts payable	461,042	691,636	1,152,678
Accrued interest payable	24,917	71,363	96,280
Current portion of noncurrent liabilities	215,445	947,000	1,162,445
<b>Total Current Liabilities</b>	<u>701,404</u>	<u>1,709,999</u>	<u>2,411,403</u>
<b>Noncurrent Liabilities (Note E)</b>			
Accumulated vacation and sick leave payable	-	94,243	94,243
Revenue bonds payable	2,604,408	11,625,000	14,229,408
Special assessment bonds payable	455,749	-	455,749
Less current portion of noncurrent liabilities	(215,445)	(947,000)	(1,162,445)
<b>Total Noncurrent Liabilities</b>	<u>2,844,712</u>	<u>10,772,243</u>	<u>13,616,955</u>
<b>Total Liabilities</b>	<u>3,546,116</u>	<u>12,482,242</u>	<u>16,028,358</u>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	11,100,850	24,928,835	36,029,685
Restricted for debt service	241,798	848,337	1,090,135
Unrestricted	8,029,270	6,134,856	14,164,126
<b>Total Net Assets</b>	<u>\$ 19,371,918</u>	<u>\$ 31,912,028</u>	<u>\$ 51,283,946</u>

See accompanying notes to basic financial statements.

**PLAINFIELD CHARTER TOWNSHIP**  
**Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**Proprietary Funds**  
**For the year ended December 31, 2005**

	Sewer	Water	Total
<b>Operating Revenues</b>			
Charges for services:			
Water sales	\$ -	\$ 4,413,264	\$ 4,413,264
Sewage disposal services	2,367,565	-	2,367,565
Debt service charges	-	12,253	12,253
Penalties	35,533	70,000	105,533
Inspection fees	16,000	-	16,000
Total charges for services	2,419,098	4,495,517	6,914,615
Hydrant maintenance charges	-	500,378	500,378
Other revenue	1,402	26,421	27,823
<b>Total Operating Revenues</b>	2,420,500	5,022,316	7,442,816
<b>Operating Expenses</b>			
Administration	-	639,455	639,455
Plant operations and maintenance	-	1,072,019	1,072,019
Distribution operations and maintenance	2,143,529	767,004	2,910,533
Depreciation	224,473	948,094	1,172,567
<b>Total Operating Expenses</b>	2,368,002	3,426,572	5,794,574
<b>Operating Income</b>	52,498	1,595,744	1,648,242
<b>Nonoperating Revenues (Expenses)</b>			
Interest income	226,587	240,672	467,259
Amortization of bond costs	-	(80,498)	(80,498)
Interest expense	(135,297)	(439,906)	(575,203)
<b>Total Nonoperating Revenues (Expenses)</b>	91,290	(279,732)	(188,442)
<b>Income Before Contributions and Transfers</b>	143,788	1,316,012	1,459,800
Connection charges and contributions	840,459	490,981	1,331,440
Transfers in	25,000	-	25,000
<b>Change in Net Assets</b>	1,009,247	1,806,993	2,816,240
<b>Net Assets, Beginning of Year</b>	18,362,671	30,105,035	48,467,706
<b>Net Assets, End of Year</b>	<u>\$ 19,371,918</u>	<u>\$ 31,912,028</u>	<u>\$ 51,283,946</u>

See accompanying notes to basic financial statements.

**PLAINFIELD CHARTER TOWNSHIP**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the year ended December 31, 2005**

	Sewer Enterprise	Water Enterprise	Total
<b>Cash Flows From Operating Activities</b>			
Receipts from customers	\$ 2,492,036	\$ 5,156,425	\$ 7,648,461
Payments to suppliers for goods and services	(2,043,413)	(1,162,261)	(3,205,674)
Payments to employees for services	-	(1,171,170)	(1,171,170)
<b>Net Cash Provided By Operating Activities</b>	<u>448,623</u>	<u>2,822,994</u>	<u>3,271,617</u>
<b>Cash Flows From Capital and Related Financing Activities</b>			
Connection charges and contributions	572,904	467,415	1,040,319
Collection of special assessments	146,746	116,339	263,085
Transfers in	25,000	-	25,000
Principal paid on bonds	(80,000)	(890,000)	(970,000)
Principal paid on North Kent Sewer Authority obligations	(127,705)	-	(127,705)
Interest paid on bonds	(134,535)	(445,202)	(579,737)
Acquisition of capital assets	(1,575,199)	(3,989,887)	(5,565,086)
<b>Net Cash Provided (Used) By Capital and Related Financing Activities</b>	<u>(1,172,789)</u>	<u>(4,741,335)</u>	<u>(5,914,124)</u>
<b>Cash Flows From Investing Activities</b>			
Proceeds from sales and maturities of investments	500,000	-	500,000
Purchase of investments	(1,900,000)	(300,000)	(2,200,000)
Interest received	227,514	240,672	468,186
<b>Net Cash Provided (Used) By Investing Activities</b>	<u>(1,172,486)</u>	<u>(59,328)</u>	<u>(1,231,814)</u>
<b>Net Increase (Decrease) In Cash and Cash Equivalents</b>	(1,896,652)	(1,977,669)	(3,874,321)
<b>Cash and Cash Equivalents, beginning of year</b>	<u>6,320,429</u>	<u>7,458,141</u>	<u>13,778,570</u>
<b>Cash and Cash Equivalents, end of year</b>	<u><u>\$ 4,423,777</u></u>	<u><u>\$ 5,480,472</u></u>	<u><u>\$ 9,904,249</u></u>

Cash and cash equivalents, as defined in the Notes to Basic Financial Statements (A-5), are captioned on the Statement of Net Assets as follows:

Cash	\$ -	\$ 250	\$ 250
Cash equivalents, deposits and investments	4,157,062	4,560,522	8,717,584
Restricted cash equivalents, deposits and investments	266,715	919,700	1,186,415
	<u><u>\$ 4,423,777</u></u>	<u><u>\$ 5,480,472</u></u>	<u><u>\$ 9,904,249</u></u>

(Continued)



**PLAINFIELD CHARTER TOWNSHIP**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the year ended December 31, 2005**

	<u>Sewer Enterprise</u>	<u>Water Enterprise</u>	<u>Total</u>
<b>Reconciliation of Operating Income To Net Cash Provided By Operating Activities</b>			
Operating income	\$ 52,498	\$ 1,595,744	\$ 1,648,242
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation	224,473	948,094	1,172,567
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	17,933	132,336	150,269
(Increase) decrease in due from tax roll	3,603	1,773	5,376
(Increase) decrease in due from other funds	50,000	-	50,000
(Increase) decrease in inventory	-	(14,131)	(14,131)
(Increase) decrease in prepaid expenses	2,797	(464)	2,333
Increase (decrease) in accounts payable	97,319	168,193	265,512
Increase (decrease) in vacation and sick leave payable	-	(8,551)	(8,551)
Total adjustments	<u>396,125</u>	<u>1,227,250</u>	<u>1,623,375</u>
<b>Net Cash Provided By Operating Activities</b>	<u><u>\$ 448,623</u></u>	<u><u>\$ 2,822,994</u></u>	<u><u>\$ 3,271,617</u></u>

See accompanying notes to basic financial statements.

**PLAINFIELD CHARTER TOWNSHIP**  
**Statement of Net Assets**  
**Fiduciary Funds**  
**December 31, 2005**

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	<u>Agency Funds</u>
<b>Assets</b>	
Cash equivalents, deposits and investments (Note B)	\$ 4,852,461
Accounts receivable	<u>5,448</u>
<b>Total Assets</b>	<u><u>\$ 4,857,909</u></u>
<b>Liabilities</b>	
Accounts payable	\$ 20,015
Due to other governmental units	4,748,732
Escrow deposits	<u>89,162</u>
<b>Total Liabilities</b>	<u><u>\$ 4,857,909</u></u>

See accompanying notes to basic financial statements.

## **NOTES TO BASIC FINANCIAL STATEMENTS**

**PLAINFIELD CHARTER TOWNSHIP**  
**Notes to Basic Financial Statements**  
**December 31, 2005**

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**Note A – Summary of Significant Accounting Policies**

Plainfield Charter Township (the “Township”) was organized as a general law township under applicable laws of the State of Michigan and was incorporated as a charter township on September 18, 1978, under provisions of Act 359, Public Acts of 1947, as amended by the Public Acts of 1976. The Township is governed by a Board of Trustees which consists of a Supervisor, Clerk, Treasurer and four Trustees. The Township is administered by a Manager appointed by the aforementioned Board. The Township provides, or contributes to the providing of, the following services to its residents as provided by statute: public safety (police, fire, inspection), highways and streets, sewer and water, parks and recreation, cultural, public improvements, planning and zoning, general administrative and other services.

The financial statements of the Township have been prepared in conformity with accounting principles generally accepted in the United States of America as applicable to Townships. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the Township’s accounting policies are described below.

**1. Reporting Entity**

As required by generally accepted accounting principles, the accompanying financial statements present the Township and its component unit, an entity for which the Township is considered to be financially accountable. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the Township.

*Discretely Presented Component Unit*

The Comstock Park Downtown Development Authority (the “DDA”) was created by Plainfield Charter Township under the provision of Act 197, Public Acts of 1975 of the State of Michigan. The purpose of the DDA is to correct and prevent deterioration, encourage historic preservation and promote the economic growth of business districts in the Township of Plainfield. The DDA is under the supervision and control of a nine member Board consisting of the Supervisor and eight other members who are appointed by the Township. The Township approves the DDA’s budget and has the ability to significantly influence operations of the DDA. Tax Increment Financing is the DDA’s primary source of revenue. Separate financial statements for the Downtown Development Authority are not available.

*Joint Venture*

The Township is a participant in the North Kent Sewer Authority (“Authority”) (a joint venture as defined by GASB Statement No. 14). The purpose of the Authority is to construct and maintain sewage transportation infrastructure. The Township utilizes the Authority to transport the Plainfield Charter Township sewage to the City of Grand Rapids Sanitary Sewer System for treatment and disposal.

The Township pays the Authority based on its share of sewage flow through the system to cover debt service, maintenance and administration of the Authority. The Township also pays the authority a fixed percentage of outstanding bond principal and interest expense based on the amount of Authority bond proceeds expended on the Township sewer system. The fixed portion of the Authority debt has been recorded as a liability of the Township

**PLAINFIELD CHARTER TOWNSHIP**  
**Notes to Basic Financial Statements**  
**December 31, 2005**

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sewer fund. The Authority issued \$4,360,000, \$4,660,000, \$5,831,000, \$2,770,000 and \$6,000,000 of insured municipal bonds during 1998, 2000, 2001, 2002 and 2005, respectively. At year-end \$21,528,800 of authority bonds were still outstanding. The Township has pledged its limited faith and credit for the bonds based on Township sewage flow through the system. Financial statements can be obtained by contacting the North Kent Sewer Authority, P.O. Box 561, Rockford, MI 49341-0561.

## **2. Government-Wide and Fund Financial Statements**

**Government-Wide Financial Statements** - The Government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) present financial information about the Township as a whole. The reported information includes all of the nonfiduciary activities of the Township. The Township does not allocate indirect costs and, for the most part, the effect of interfund activity has been removed. These statements are to distinguish between the *governmental* and *business-type activities* of the Township. *Governmental activities* normally are supported by taxes and intergovernmental revenues, and are reported separately from *business-type* activities, which rely to a significant extent on fees and charges for support.

The Statement of Net Assets is presented on the classified basis and is reported on the full accrual, economic resource basis, which recognizes all long-term assets as well as all long-term debt and obligations. The Township's net assets are reported in three parts: invested in capital assets, net of related debt; restricted net assets, and unrestricted net assets.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Property taxes, state revenue sharing, interest earnings and other items not included among program revenues are reported instead as *general revenues*.

**Fund Financial Statements** - Separate financial statements are provided for governmental, proprietary, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column.

The Township reports the following major governmental fund:

The *General Fund* is the Township's primary operating fund. It accounts for all financial resources of the general government except those that are required to be accounted for in another fund.

The Township reports the following major proprietary funds:

The *Sewer Enterprise Fund* accounts for the operations of the Township's sewer department that provides sewer services to residents of the Township on a user charge basis.

The *Water Enterprise Fund* accounts for the operations of the Township's water department that provides water services to residents of the Township on a user charge basis.

**PLAINFIELD CHARTER TOWNSHIP**  
**Notes to Basic Financial Statements**  
**December 31, 2005**

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Additionally, the Township reports the following fund types:

The *Special Revenue Funds* account for revenue from specific revenue sources (other than major capital projects) and related expenditures which are restricted for specific purposes by administrative action or law.

The *Capital Projects Fund* accounts for the bond issues and the construction of Township capital assets.

The *Trust Account Agency Fund* accounts for the collection of bonds and deposits and the payment to the governmental units or other persons entitled to receive these funds.

The *Tax Account Agency Fund* accounts for the collection of current and delinquent property taxes and the payment to the governmental units or other persons entitled to receive these funds.

### **3. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

*Government-wide and fiduciary fund financial statements* are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met.

*Governmental fund financial statements* are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Fund level statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances. The Balance Sheet reports current assets, current liabilities and fund balances. The Statement of Revenues, Expenditures and Changes in Fund Balances reports on the sources and uses of current financial resources. This differs from the economic resources measurement focus used to report at the government-wide level. Reconciliations between the two sets of statements are provided in separate statements.

Revenues are recognized when susceptible to accrual; i.e., both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Township considers revenues to be available if they are collected within 60 days after the end of the current fiscal period. Taxes, intergovernmental revenues and interest associated with current period are all considered to susceptible to accrual and have been recognized as revenues of the current fiscal period. Property taxes levied for the subsequent fiscal year are presented as deferred revenue at fiscal year end.

Expenditures are recorded when the liability is incurred, as under accrual accounting, if they are paid within 60 days after the end of the current fiscal period. The exception to this general rule is that principal and interest on long-term debt and claims and judgments are recorded only when the payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt are reported as other financing sources.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and sewer enterprise fund are charges for services. Operating expenses for the enterprise fund include wages, benefits,

**PLAINFIELD CHARTER TOWNSHIP**  
**Notes to Basic Financial Statements**  
**December 31, 2005**

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supplies, utilities, charges for services and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide and fiduciary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

When both restricted and unrestricted resources are available for use, it is the Township's policy to use restricted resources first, then unrestricted as they are needed.

#### **4. Budgets and Budgetary Accounting**

Budgets presented in the financial statements were prepared on the same basis as the accounting basis used to reflect actual results. The General and Special Revenue Funds are subject to legal budgetary accounting controls and are budgeted annually. The Township utilizes the following procedures in establishing the budgetary data reflected in the financial statements:

- The budgets are generated with input from the Township Manager, the various department heads, Supervisor, Clerk, Treasurer and the Township Trustees. The completed budgets are then presented to Township electors at a public budget hearing at which time taxpayer comments and recommendations are heard. These operating budgets include proposed expenditures and the means of financing them for the General Fund and Special Revenue Funds.
- Prior to January 1, the budgets are legally enacted on a departmental (activity) basis through passage of an appropriations resolution.
- The budget may only be amended by action of the Township Board.
- Budget appropriations lapse at fiscal year-end.
- Encumbrance accounting is not utilized.
- The original General and Special Revenue Funds budgets were amended during the year in compliance with State of Michigan Public Act 621 (the Uniform Budgetary and Accounting Act). The budget to actual revenues and expenditures in the financial statements represent the final budgets as amended by the Township.
- The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level for each individual fund.

#### **5. Cash and Cash Equivalents/Investments**

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term deposits and investments with original maturities of three months or less from the date of acquisition.

Investments are recorded at fair value, based on quoted market prices, or estimated fair value. Investment income is composed of interest and net changes in the fair value of applicable investments.

Cash and cash equivalent balances presented at December 31, 2004 were restated to reflect current Township policies.

**PLAINFIELD CHARTER TOWNSHIP**  
**Notes to Basic Financial Statements**  
**December 31, 2005**

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**6. Restricted Assets**

Certain proceeds of the Township and North Kent Sewer Authority bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the Statement of Net Assets because their use is limited by applicable bond covenants.

**7. Inventory**

Inventory recorded in the enterprise funds is valued at the lower of cost or market, on the first-in first-out basis. Inventories consist of expendable operating supplies, meters and related materials and parts.

**8. Capital Assets**

Capital assets, which include property, plant and equipment, vehicles and construction in process, are reported in the government-wide financial statements. Capital assets are also presented in the proprietary fund statements. Assets having a useful life in excess of one year and whose costs exceed \$5,000 are capitalized. Capital assets are stated at historical cost or estimated historical cost where actual cost information is not available. Donated capital assets are stated at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of an asset or materially extend an asset's useful life are not capitalized. Improvements are capitalized and depreciated over the remaining useful life of the related assets.

Depreciation on the capital assets of the primary government is computed using the straight-line method over the following estimated useful lives:

Sanitary sewer system	20-66 years
Furniture and equipment	5-10 years
Building and structures	10-40 years
Water mains and hydrants	30-66 years
Wells and pumps	25 years
Filtration and treatment equipment	7-10 years
Trucks and vehicles	5 years
Machinery and equipment	7-20 years

**9. Property Taxes**

Property taxes for the Township are attached as an enforceable lien on property as of December 1 of each year. The December 1 levy is recorded as a receivable and deferred revenue at the end of the year, and is intended to fund expenditures of the following year. Taxes are levied December 1 and are due without penalty on or before February 14. These winter tax bills include the Township's own property taxes and taxes billed on behalf of the school districts within the Township; summer taxes are collected for other entities within the Township. Real property taxes not collected are returned to Kent County for collection, which advances one hundred percent of the delinquent taxes to the Township. The collection of delinquent personal property taxes remains the responsibility of the Township Treasurer.



**PLAINFIELD CHARTER TOWNSHIP**  
**Notes to Basic Financial Statements**  
**December 31, 2005**

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**10. Deferred Revenue**

Governmental funds report deferred revenue in connection with receivables for revenues (property taxes, special assessments) that are not considered to be available to liquidate liabilities of the current period or for resources that have been received, but not yet earned.

**11. Long-Term Obligations**

In the government-wide financial statements and proprietary fund type financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund types Statements of Net Assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported at the total amount of bonds issued.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

**12. Accumulated Sick and Vacation Pay**

Accumulated vacation pay at December 31, 2005 has been computed and recorded in the financial statements of the Township. Under terms of union contracts and Township policies, employees are granted sick leave in varying amounts. At the end of each fiscal year, each employee shall be paid for 50% of all unused sick leave above the amount allowed to be accumulated by the employee (45 or 90 days). Upon retirement or death, payments will be made for 50% of accumulated sick leave. Vacation time (not to exceed one week) may be carried over from year to year.

Accumulated unpaid sick and vacation pay is recorded in either the governmental or business-type column of the Statement of Net Assets and on the proprietary fund statements depending on employee position.

**13. Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition or construction of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through legislation or through external restrictions imposed by creditors, grantors, laws or regulations from other governments.

**14. Fund Equity**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for expenditures or are legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. Proprietary funds report restricted net assets equal to restricted assets less related liabilities.

**PLAINFIELD CHARTER TOWNSHIP**  
**Notes to Basic Financial Statements**  
**December 31, 2005**

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**15. Interfund Activity**

Flows of cash from one fund to another without a requirement for repayment are reported as transfers in or out. Transfers between governmental funds are eliminated in the Statement of Activities. Transfers in the fund financial statements are reported as other financing sources/uses.

**16. Estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**17. Risk Management**

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended December 31, 2005, the Township participated in public entity risk pools for liability and property as well as workers' compensation insurance. The Township's participation in these pools is in substance the purchase of insurance. The Township carried commercial insurance to cover other risks of loss. The Township has had no settled claims resulting from these risks that exceeded their coverage in any of the past three fiscal years. There was no significant change in coverage during the year ended December 31, 2005.

**Note B – Cash Equivalents, Deposits and Investments**

The State of Michigan allows a political subdivision to authorize its Treasurer or other chief fiscal officer to invest surplus funds belonging to and under the control of the entity as follows:

- Bonds, bills, or notes of the United States; obligations, the principal and interest of which are fully guaranteed by the United States; or obligations of the State.
- Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a financial institution, but only if the financial institution is a state or nationally chartered bank or a state or federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and that maintains a principal office or branch office located in this State under the laws of this State or the United States.
- Commercial paper rated at the time of purchase within the 2 highest classifications established by not less than 2 standard rating services and that matures not more than 270 days after the date of the purchase.
- Securities issued or guaranteed by agencies or instrumentalities of the United States government.
- United States government or Federal agency obligation repurchase agreements.
- Banker's acceptances issued by a bank that is a member of the Federal Deposit Insurance Corporation.
- Mutual funds composed entirely of investment vehicles which are legal for direct investment by a Township in Michigan.

**PLAINFIELD CHARTER TOWNSHIP**  
**Notes to Basic Financial Statements**  
**December 31, 2005**

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- Investment pools, as authorized by the surplus funds investment pool act, Act No. 367 of the Public Acts of 1982, being sections 129.11 to 129.118 of the Michigan Compiled Laws, composed entirely of instruments that are legal for direct investment by a Township in Michigan.

Balances at December 31, 2005 related to cash equivalents, deposits and investments are detailed in the Basic Financial Statements as follows:

Cash equivalents, deposits and investments per the Statement of Net Assets:

Primary government:	
Unrestricted	\$14,945,403
Restricted	1,186,415
Component Unit:	
Unrestricted	595,032

Cash equivalents, deposits and investments of Fiduciary Funds:

Primary government:	
Agency	4,852,461
	<u>\$21,579,311</u>

**Cash Equivalents and Deposits**

Cash equivalents consist of bank public funds checking, savings and money market accounts. Deposits consist of certificates of deposit.

Depositories actively used by the Township during the year are detailed as follows:

1. Bank One
2. Huntington National Bank
3. National City Bank
4. Choice One Bank
5. Independent Bank
6. LSI Credit Union

December 31, 2005 balances are detailed as follows:

	<b>Primary Government</b>	<b>Component Unit</b>
Cash equivalents	\$ 11,705,442	\$ 383,747
Deposits	1,600,000	—
	<u>\$ 13,305,442</u>	<u>\$ 383,747</u>

*Custodial credit risk*

Custodial credit risk is the risk that in the event of bank failure, the Township's deposits may not be returned to the Township. Protection of Township cash equivalents and deposits is provided by the Federal Deposit Insurance Corporation. At year end, the carrying amount of the Township's cash equivalents and deposits was \$13,305,442 and the bank balance was \$13,343,175. Of the bank balance, \$600,000 was covered by federal depository insurance and \$12,743,175 was uninsured and uncollateralized. The component unit had a bank balance of \$383,747 which was uninsured and uncollateralized.

**PLAINFIELD CHARTER TOWNSHIP**  
**Notes to Basic Financial Statements**  
**December 31, 2005**

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**Investments**

Investments consist of surplus funds investment pools and U.S Government Agency Securities.

As of December 31, 2005 the Township and its component unit had the following investments in their portfolio:

	<b>Fair Value</b>	
	<b>Primary Government</b>	<b>Component Unit</b>
Investment Pool Accounts:		
Kent County	\$ 3,899,863	\$ 142,156
MBIA - Class	1,575,484	69,129
Multi-bank Securities, Inc.	16,968	—
U.S. Government Agency Securities:		
Federal National Mortgage Association (FNMA)	493,854	—
Federal Home Loan Bank (FHLB)	1,692,668	—
	<u>\$ 7,678,837</u>	<u>\$ 211,285</u>

The Weighted Average Maturity (in years) for the FNMA securities was 3.50 and 2.1541 for the FHLB securities. The Weighted Average Maturity for the portfolio was 2.460.

*Custodial Credit Risk*

Custodial credit risk is the risk that, in the event of a failure of the counterparty, the Township may not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Township minimizes custodial credit risk by limiting investments to the types of securities allowed by law; and pre-qualifying the financial institutions, broker/dealers, intermediaries and advisors with which the Township will do business. The Township Board recognizes the value of working with local businesses and encourages use of depositories with branches located within the boundaries of the Township. However, in order to gain possible interest rate advantages and to spread investment risk, up to twenty-five (25) percent of the portfolio may be invested with depositories outside the Township.

*Credit Risk*

The Township's investments in the surplus funds investment pools and U.S. Government Agency Securities were unrated.

*Interest Rate Risk*

In accordance with its investment policy, the Township will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the open market, and, investing operating funds primarily in shorter-term securities, liquid asset funds, money market funds, or similar investment pools and limiting the average maturity in accordance with the Township's cash requirements. The Township's investment policy also includes the following specific limitations:

Except for debt service funds, special assessment funds and non-expendable trust funds, assets for Plainfield Charter Township shall be invested in instruments whose maturities do not exceed three years at the time of purchase. General Funds shall not exceed three year instruments and Water Funds shall not exceed six year instruments. Other operating funds' maturities shall not exceed one year instruments, unless the Township Board approves a temporary extension of maturities. In such cases, the average maturity of each fund's portfolio shall not exceed one year. Assets held in debt retirement funds and special assessment funds may be invested in maturities exceeding three years only with special approval of the Township Board following a public hearing.

**PLAINFIELD CHARTER TOWNSHIP**  
**Notes to Basic Financial Statements**  
**December 31, 2005**

*Concentration of Credit Risk*

The Township minimizes concentration of credit risk, which is the risk of loss attributed to the magnitude of the Township's investment in a single issuer, through its diversification policy which states the objective of the Township is to protect principal by diversifying its cash management portfolio to the extent practical and within sound business practices. Assets that are held in the common cash fund and other investment funds should be diversified to eliminate the risk of catastrophic loss potential resulting from over-concentration of assets in a specific instrument, specific issuer, and class of securities or maturity of securities. More than 5 percent of the Township's investments are in Federal Home Loan Bank securities (22%).

*Foreign Currency Risk*

The Township is not authorized to invest in investments which have this type of risk.

**Note C – Transfers In (Out)**

Interfund transfers during the year ended December 31, 2005 were as follows:

	<u><b>Transfers In</b></u>	<u><b>Transfers Out</b></u>
<b>Major Funds</b>		
General Fund:		
Special Revenue Funds:		
Lighting District	\$       —	\$   20,000
Stormwater Management	—	20,000
Lake Improvement	—	11,000
	<u>          —</u>	<u>          —</u>
Total General Fund	—	51,000
Capital Projects Fund	5,366	—
Enterprise Funds:		
Sewer Fund	—	25,000
	<u>          —</u>	<u>          —</u>
<b>Total Major Funds</b>	5,366	76,000
<b>Nonmajor Funds</b>		
Special Revenue Funds:		
Lighting District:		
General Fund	20,000	—
Stormwater Management:		
General Fund	20,000	—
Lake Improvement:		
General Fund	11,000	—
Capital Projects Fund:		
General Fund	—	5,366
Enterprise Fund:		
Sewer Fund	25,000	—
	<u>          —</u>	<u>          —</u>
<b>Total Nonmajor Funds</b>	76,000	5,366
<b>Total</b>	<u><u>\$   81,366</u></u>	<u><u>\$   81,366</u></u>

Transfers represent subsidies provided by the General Fund to the various other funds. The Fire Station Capital Projects Fund transferred its remaining balance of \$5,366 to the General Fund.

**PLAINFIELD CHARTER TOWNSHIP**  
**Notes to Basic Financial Statements**  
**December 31, 2005**

**Note D – Capital Assets**

Capital asset activity for the year ended December 31, 2005 was as follows:

	<u>Balances</u> <u>January 1, 2005</u>	<u>Additions</u>	<u>Sales/ Retirements</u>	<u>Balances</u> <u>December 31, 2005</u>
<b>Governmental activities</b>				
Capital assets not depreciated:				
Land	\$ 1,545,696	\$ –	\$ –	\$ 1,545,696
Capital assets being depreciated:				
Buildings and improvements	11,490,335	31,931	–	11,522,266
Machinery and equipment	3,276,572	79,530	140,700	3,215,402
Total capital assets being depreciated	<u>14,766,907</u>	<u>111,461</u>	<u>140,700</u>	<u>14,737,668</u>
Less accumulated depreciation for:				
Buildings and improvements	3,302,137	247,597		3,549,734
Machinery and equipment	2,637,861	155,703	131,533	2,662,031
Total accumulated depreciation	<u>5,939,998</u>	<u>403,300</u>	<u>131,533</u>	<u>6,211,765</u>
Total capital assets being depreciated, net	<u>8,826,909</u>	<u>(291,839)</u>	<u>9,167</u>	<u>8,525,903</u>
<b>Net Capital Assets - Governmental Activities</b>	<u>\$ 10,372,605</u>	<u>\$(291,839)</u>	<u>\$ 9,167</u>	<u>\$ 10,071,599</u>

Depreciation expense was charged to Township governmental activities as follows:

General government	\$ 146,101
Public safety	139,269
Recreation and cultural	<u>117,930</u>
	<u>\$ 403,300</u>

**PLAINFIELD CHARTER TOWNSHIP**  
**Notes to Basic Financial Statements**  
**December 31, 2005**

	<u>Balances</u> <u>January 1, 2005</u>	<u>Additions</u>	<u>Sales/ Retirements</u>	<u>Balances</u> <u>December 31, 2005</u>
<b>Business-type activities</b>				
Capital assets not depreciated:				
Land	\$ 708,299	\$ —	\$ —	\$ 708,299
Construction in progress	947,887	5,521,235	58,711	6,410,411
Total capital assets not being depreciated	<u>1,656,186</u>	<u>5,521,235</u>	<u>58,711</u>	<u>7,118,710</u>
Capital assets being depreciated:				
Buildings and improvements	14,795,569	116,416	—	14,911,985
Utility systems	36,329,116	243,497	—	36,572,613
Machinery and equipment	5,469,058	55,723	33,389	5,491,392
Total capital assets being depreciated	<u>56,593,743</u>	<u>415,636</u>	<u>33,389</u>	<u>56,975,990</u>
Less accumulated depreciation for:				
Buildings and improvements	\$ 4,068,996	480,881	—	\$ 4,549,877
Utility systems	6,315,195	620,887	—	6,936,082
Machinery and equipment	1,856,489	70,799	33,389	1,893,899
Total accumulated depreciation	<u>12,240,680</u>	<u>1,172,567</u>	<u>33,389</u>	<u>13,379,858</u>
Total capital assets being depreciated, net	<u>44,353,063</u>	<u>(756,931)</u>	<u>—</u>	<u>43,596,132</u>
<b>Net Capital Assets - Business-type Activities</b>	<u><u>\$ 46,009,249</u></u>	<u><u>\$4,764,304</u></u>	<u><u>\$58,711</u></u>	<u><u>\$ 50,714,842</u></u>

Depreciation expense was charged to Township activities as follows:

Water	\$ 948,094
Sewer	<u>224,473</u>
	<u><u>\$ 1,172,567</u></u>

**PLAINFIELD CHARTER TOWNSHIP**  
**Notes to Basic Financial Statements**  
**December 31, 2005**

**Note E –Long-Term Debt**

The following is a summary of long-term debt transactions for the year ended December 31, 2005:

	Debt Outstanding January 1, 2005	Debt Added	Debt Retired	Debt Outstanding December 31, 2005
<b>Governmental Activities</b>				
Capital improvement bonds:				
December 19, 2002	\$ 3,570,000	\$ -	\$ 340,000	\$ 3,230,000
Installment purchase agreement	160,000	-	50,000	110,000
Accumulated sick and vacation pay	154,083	179,151	178,324	154,910
	<u>3,884,083</u>	<u>179,151</u>	<u>568,324</u>	<u>3,494,910</u>
Total governmental activities				
<b>Business-type Activities</b>				
Bond issues:				
Sewer:				
June 27, 1991	535,749	-	80,000	455,749
June 1, 1998	2,732,114	-	127,706	2,604,408
Water:				
June 11, 1987	340,000	-	100,000	240,000
September 3, 2001	5,200,000	-	420,000	4,780,000
June 1, 2003	4,825,000	-	180,000	4,645,000
March 4, 2004	2,150,000	-	190,000	1,960,000
Accumulated sick and vacation pay	102,794	80,397	88,948	94,243
	<u>15,885,657</u>	<u>80,397</u>	<u>1,186,654</u>	<u>14,779,400</u>
Total business-type activities				
<b>Total Primary Government</b>	<u>\$ 19,769,740</u>	<u>\$ 259,548</u>	<u>\$ 1,754,978</u>	<u>\$ 18,274,310</u>



**PLAINFIELD CHARTER TOWNSHIP**  
**Notes to Basic Financial Statements**  
**December 31, 2005**

Long-term bonds and installment purchase agreements at December 31, 2005 are comprised of the following:

	<b>Final Maturity Dates</b>	<b>Interest Rates</b>	<b>Outstanding Balance</b>	<b>Amount Due Within One Year</b>
<b>Governmental Activities</b>				
\$3,900M 2002 Capital Improvement Bonds:				
Annual maturities of \$350M to \$465M	Nov. 1, 2013	2.75 - 3.85	\$ 3,230,000	\$ 350,000
\$450M 1998 Installment purchase agreement:				
Annual maturities of \$55M	Nov. 1, 2007	4.88	110,000	55,000
<b>Total Governmental Activities</b>			<u>3,340,000</u>	<u>405,000</u>
<b>Business-type Activities</b>				
Sewer bonds:				
\$1,430,749 1991 Special Assessment:				
Annual maturities of \$36M to \$85M	April 1, 2011	2.00	455,749	80,000
\$4,360M 1998 North Kent Sewer Authority:				
Annual maturities of \$135M to \$282M	May 1, 2018	3.00 - 7.00	2,604,408	135,445
Water bonds:				
\$1,200M 1987 Supply and Distribution System Revenue :				
Annual maturities of \$115M to \$125M	Nov. 1, 2007	8.625	240,000	115,000
\$5,710M 2001 Supply System Revenue:				
Annual maturities of \$440M to \$640M	Nov. 11, 2014	3.75 - 4.45	4,780,000	440,000
\$5,000M 2003 Capital Improvement:				
Annual maturities of \$185M to \$370M	Nov. 21, 2023	2.00 - 4.00	4,645,000	185,000
\$2,210M 2004 Refunding Revenue:				
Annual maturities of \$195M to \$250M	Nov. 1, 2014	2.00 - 3.75	1,960,000	195,000
<b>Total Business-type Activities</b>			<u>14,685,157</u>	<u>1,150,445</u>
<b>Total Primary Government</b>			<u><u>\$18,025,157</u></u>	<u><u>\$ 1,555,445</u></u>

**PLAINFIELD CHARTER TOWNSHIP**  
**Notes to Basic Financial Statements**  
**December 31, 2005**

The annual requirements to pay principal and interest on long-term debt outstanding at December 31, 2005, excluding accumulated sick and vacation pay, are as follows:

<b>Year Ended December 31</b>	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	
2006	\$ 405,000	\$ 112,252	\$ 1,150,445	\$ 543,421	\$ 2,211,118
2007	420,000	99,052	1,203,185	497,720	2,219,957
2008	380,000	84,490	1,119,794	448,777	2,033,061
2009	390,000	71,490	1,157,534	406,935	2,025,959
2010	410,000	57,490	1,209,144	362,163	2,038,797
2011	425,000	42,453	1,202,632	315,155	1,985,240
2012	445,000	26,246	1,218,493	268,122	1,957,861
2013	465,000	8,951	1,280,103	219,043	1,973,097
2014	-	-	1,350,582	168,193	1,518,775
2015	-	-	486,061	130,169	616,230
2016	-	-	512,671	114,789	627,460
2017	-	-	542,020	98,190	640,210
2018	-	-	572,500	80,323	652,823
2019	-	-	304,993	65,646	370,639
2020	-	-	320,000	54,360	374,360
2021	-	-	335,000	42,200	377,200
2022	-	-	350,000	28,800	378,800
2023	-	-	370,000	14,800	384,800
	<u>\$ 3,340,000</u>	<u>\$ 502,424</u>	<u>\$14,685,157</u>	<u>\$ 3,858,806</u>	<u>\$22,386,387</u>

**PLAINFIELD CHARTER TOWNSHIP**  
**Notes to Basic Financial Statements**  
**December 31, 2005**

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**Note F – Pension Plan/Post Employment Health Benefits**

The Township maintains the Plainfield Charter Township Pension Plan which is a defined contribution plan. The Township contributes 7.5% and participating eligible employees contribute at least 5% of gross salary to a defined contribution retirement plan administered by an independent carrier. The Township contributes an additional 2.5% of gross salary to the plan for eligible employees with over 10 years of service and an additional 2.5% for over 15 years of service. The Township plan benefits and contribution requirements were established and may be amended under the authority of the Township Board and under agreements with unions representing various classes of employees. All retirement contributions are paid or accrued currently. There is no past service liability. All full time Township employees are eligible for participation in the plan. During the year, the Township contributed \$263,723 and plan members contributed \$140,629.

In addition to pension benefits, retirees receive an employer paid benefit toward the employee and spouse health insurance premiums depending on number of years of full-time employment with the Township. This benefit is authorized and applicable benefit requirements are identified in the Township personnel policy and union agreements. Employees retiring with 20 years of full-time employment receive full hospitalization benefits for life in the amount of a two person contract. Employees retiring with less than 20 years of full-time employment receive various levels of hospitalization benefits depending on years of service. These benefits are provided on a pay-as-you-go basis. The Township expended \$81,886 to provide insurance coverage for 12 retired employees during 2005.

**Note G – Deferred Compensation Plan**

The Township offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all Township employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. All assets of the plan are held in trust for employees and the related assets and liabilities are not included in this report.

**Note H – Contingencies/Litigation**

In the normal course of its activities, the Township has become a party in various legal actions, including property tax assessment appeals. Management of the Township is of the opinion that the outcome of such actions will not have a material effect on the financial position of the Township and, therefore, has not reflected loss reserves in the financial statements.

**Note I – Commitments**

At December 31, 2005 the Township had remaining construction commitments of \$508,287.

## **GENERAL FUND**

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

**PLAINFIELD CHARTER TOWNSHIP**  
**General Fund**  
**Comparative Balance Sheet**  
**December 31, 2005 and 2004**

	2005	2004
<b>Assets</b>		
Cash	\$ 1,575	\$ 1,575
Cash equivalents, deposits and investments	2,018,812	1,571,440
Receivables:		
Taxes	3,216,460	2,925,496
Accounts	17,658	35,398
Special assessments	271,276	82,621
Due from other funds	-	330,000
Due from other governmental units	734,925	764,984
Prepaid expenditures	58,308	47,511
<b>Total Assets</b>	<b>\$ 6,319,014</b>	<b>\$ 5,759,025</b>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts payable	\$ 201,380	\$ 115,404
Due to other funds	-	50,000
Accrued payroll and benefits	149,981	147,620
Payroll withholdings	10,229	11,947
Escrow deposits	3,292	3,332
Deferred revenue	3,666,490	3,243,504
<b>Total Liabilities</b>	<b>4,031,372</b>	<b>3,571,807</b>
<b>Fund Balances</b>		
Unreserved:		
Designated for capital outlay	110,156	288,624
Undesignated	2,177,486	1,898,594
<b>Total Fund Balances</b>	<b>2,287,642</b>	<b>2,187,218</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 6,319,014</b>	<b>\$ 5,759,025</b>

**PLAINFIELD CHARTER TOWNSHIP**  
**General Fund**  
**Comparative Schedule of Revenues**  
**For the years ended December 31, 2005 and 2004**

	2005	2004
Taxes:		
Current property taxes	\$ 3,044,214	\$ 2,876,173
Delinquent property taxes	7,501	6,879
Industrial facilities taxes	30,307	25,040
In lieu of taxes	3,306	3,347
Trailer fees	6,436	6,577
Interest and penalties on taxes	15,224	11,070
	<u>3,106,988</u>	<u>2,929,086</u>
Licenses and permits:		
Business permits	3,830	3,965
Cable television fees	310,186	296,399
Dog licenses	256	281
	<u>314,272</u>	<u>300,645</u>
State sources:		
Liquor license fees	17,663	18,123
Sales taxes	2,155,946	2,183,097
	<u>2,173,609</u>	<u>2,201,220</u>
Charges for services:		
Planning and zoning fees	15,852	24,280
Summer tax collection fees	54,031	52,030
Passports	26,383	30,300
Other fees	2,825	3,575
Fire and rescue	28,881	37,735
Grave openings	21,438	24,006
Sale of cemetery lots	8,992	15,925
Copier and printing fees	885	1,551
Title searches	5,322	6,699
Recreational fees	29,967	21,964
	<u>194,576</u>	<u>218,065</u>
Fines and forfeitures:		
District court fines	776	1,083
Interest and rentals:		
Interest on deposits and investments	80,419	68,566
Rental income	34,002	30,101
	<u>114,421</u>	<u>98,667</u>
Other revenue:		
Sidewalk assessments	30,697	16,310
Sale of assets	37,818	9,041
Donations	3,000	-
Library reimbursements	33,059	25,131
Water/sewer/building department reimbursements	446,901	398,000
Act 425 reimbursements	660	990
Other revenue	9,175	15,746
	<u>561,310</u>	<u>465,218</u>
<b>Total Revenues</b>	<u><u>\$ 6,465,952</u></u>	<u><u>\$ 6,213,984</u></u>

**PLAINFIELD CHARTER TOWNSHIP**  
**General Fund**  
**Comparative Schedule of Expenditures**  
**For the years ended December 31, 2005 and 2004**

	2005	2004
Current:		
General government:		
Township board	\$ 22,060	\$ 20,952
Supervisor	15,195	14,180
Manager	202,783	183,327
Accounting	232,829	229,852
Clerk	214,898	199,951
Board of review	876	818
Treasurer	210,225	253,356
Assessor	293,896	279,775
General administration	137,775	145,563
Elections	7,079	64,010
Building and grounds	555,282	501,206
Legal and audit	26,319	32,182
Cemetery	48,124	35,185
Other general government	397,176	379,867
Total general government	2,364,517	2,340,224
Public safety:		
Law enforcement	331,396	314,486
Fire department	1,871,385	1,712,389
Planning	275,341	253,544
Total public safety	2,478,122	2,280,419
Public works:		
Drains	282	1,209
Highways, streets and bridges	407,271	232,494
Total public works	407,553	233,703
Recreation and cultural:		
Parks and recreation	183,429	190,675
Township newsletter	9,574	15,588
Library	128,072	108,170
Cultural	58,760	51,335
Historical	18,819	14,370
Total recreation and cultural	398,654	380,138
Other township:		
Insurance and bonds	131,510	121,302
Debt service:		
Principal repayment	390,000	380,000
Interest and fiscal charges	124,538	136,265
Total debt service	514,538	516,265
<b>Total Expenditures</b>	<b>\$ 6,294,894</b>	<b>\$ 5,872,051</b>

## **NONMAJOR GOVERNMENTAL FUNDS**



**PLAINFIELD CHARTER TOWNSHIP**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**December 31, 2005**

		Special Revenue	
	Public Improvement	Lighting District	Stormwater Management
<b>Assets</b>			
Cash equivalents, deposits and investments	\$ 446,981	\$ 42,945	\$ 150,758
Receivables:			
Taxes	-	134,279	-
Special assessments	-	-	-
Prepaid expenditures	-	-	-
<b>Total Assets</b>	<b>\$ 446,981</b>	<b>\$ 177,224</b>	<b>\$ 150,758</b>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ -	\$ 13,579	\$ -
Deferred revenue	-	141,706	-
<b>Total Liabilities</b>	<b>-</b>	<b>155,285</b>	<b>-</b>
<b>Fund Balances</b>			
Reserved for:			
Lighting district	-	21,939	-
Lake improvement	-	-	-
Building department	-	-	-
Unreserved:			
Designated for public works	446,981	-	150,758
<b>Total Fund Balances</b>	<b>446,981</b>	<b>21,939</b>	<b>150,758</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 446,981</b>	<b>\$ 177,224</b>	<b>\$ 150,758</b>

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<u>Lake Improvement</u>	<u>Building Department</u>	<u>Total</u>
\$ 3,139	\$ 261,694	\$ 905,517
13,156	-	147,435
23,004	-	23,004
800	659	1,459
<u>\$ 40,099</u>	<u>\$ 262,353</u>	<u>\$ 1,077,415</u>
\$ -	\$ 6,948	\$ 20,527
37,874	-	179,580
<u>37,874</u>	<u>6,948</u>	<u>200,107</u>
-	-	21,939
2,225	-	2,225
-	255,405	255,405
-	-	597,739
<u>2,225</u>	<u>255,405</u>	<u>877,308</u>
<u>\$ 40,099</u>	<u>\$ 262,353</u>	<u>\$ 1,077,415</u>

**PLAINFIELD CHARTER TOWNSHIP**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the year ended December 31, 2005**

		Special Revenue	
	Public Improvement	Lighting District	Stormwater Management
<b>Revenues</b>			
Charges for services	\$ -	\$ -	\$ -
Interest and rentals	12,749	1,789	3,182
Other revenue	-	137,395	31,799
<b>Total Revenues</b>	<u>12,749</u>	<u>139,184</u>	<u>34,981</u>
<b>Expenditures</b>			
Current:			
Public safety	-	-	-
Public works	-	159,119	2,205
<b>Total Expenditures</b>	<u>-</u>	<u>159,119</u>	<u>2,205</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>12,749</u>	<u>(19,935)</u>	<u>32,776</u>
<b>Other Financing Sources</b>			
Transfers in	-	20,000	20,000
Transfers out	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>20,000</u>	<u>20,000</u>
<b>Net Change in Fund Balances</b>	12,749	65	52,776
<b>Fund Balances, January 1</b>	<u>434,232</u>	<u>21,874</u>	<u>97,982</u>
<b>Fund Balances, December 31</b>	<u><u>\$ 446,981</u></u>	<u><u>\$ 21,939</u></u>	<u><u>\$ 150,758</u></u>

		Capital Projects	
Lake Improvement	Building Department	Fire Station #3	Total
\$ -	\$ 478,574	\$ -	\$ 478,574
119	6,202	-	24,041
14,540	-	-	183,734
14,659	484,776	-	686,349
-	434,875	-	434,875
35,588	-	-	196,912
35,588	434,875	-	631,787
(20,929)	49,901	-	54,562
11,000	-	-	51,000
-	-	(5,366)	(5,366)
11,000	-	(5,366)	45,634
(9,929)	49,901	(5,366)	100,196
12,154	205,504	5,366	777,112
\$ 2,225	\$ 255,405	\$ -	\$ 877,308

**PLAINFIELD CHARTER TOWNSHIP**  
**Public Improvement Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**For the year ended December 31, 2005**

	Budget	Actual	Variance - Positive (Negative)
<b>Revenues</b>			
Interest and rentals	\$ 6,020	\$ 12,749	\$ 6,729
<b>Expenditures</b>	-	-	-
<b>Net Change in Fund Balances</b>	6,020	12,749	6,729
<b>Fund Balances, January 1</b>	434,232	434,232	-
<b>Fund Balances, December 31</b>	<u>\$ 440,252</u>	<u>\$ 446,981</u>	<u>\$ 6,729</u>

**PLAINFIELD CHARTER TOWNSHIP**  
**Lighting District Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**For the year ended December 31, 2005**

	Budget	Actual	Variance - Positive (Negative)
<b>Revenues</b>			
Interest and rentals	\$ 1,100	\$ 1,789	\$ 689
Other revenue	135,000	137,395	2,395
<b>Total Revenues</b>	136,100	139,184	3,084
<b>Expenditures</b>			
Current:			
Public works	157,000	159,119	(2,119)
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(20,900)	(19,935)	965
<b>Other Financing Sources</b>			
Transfers in	20,000	20,000	-
<b>Net Change in Fund Balances</b>	(900)	65	965
<b>Fund Balances, January 1</b>	21,874	21,874	-
<b>Fund Balances, December 31</b>	<u>\$ 20,974</u>	<u>\$ 21,939</u>	<u>\$ 965</u>

**PLAINFIELD CHARTER TOWNSHIP**  
**Stormwater Management Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**For the year ended December 31, 2005**

	Budget	Actual	Variance - Positive (Negative)
<b>Revenues</b>			
Interest and rentals	\$ 900	\$ 3,182	\$ 2,282
Other revenue	5,000	31,799	26,799
<b>Total Revenues</b>	<u>5,900</u>	<u>34,981</u>	<u>29,081</u>
<b>Expenditures</b>			
Current:			
Public works	35,900	2,205	33,695
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(30,000)</u>	<u>32,776</u>	<u>62,776</u>
<b>Other Financing Sources</b>			
Transfers in	20,000	20,000	-
<b>Net Change in Fund Balances</b>	<u>(10,000)</u>	<u>52,776</u>	<u>62,776</u>
<b>Fund Balances, January 1</b>	<u>97,982</u>	<u>97,982</u>	<u>-</u>
<b>Fund Balances, December 31</b>	<u><u>\$ 87,982</u></u>	<u><u>\$ 150,758</u></u>	<u><u>\$ 62,776</u></u>

**PLAINFIELD CHARTER TOWNSHIP**  
**Lake Improvement Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**For the year ended December 31, 2005**

	Budget	Actual	Variance - Positive (Negative)
<b>Revenues</b>			
Interest and rentals	\$ 250	\$ 119	\$ (131)
Other revenue	14,870	14,540	(330)
<b>Total Revenues</b>	15,120	14,659	(461)
<b>Expenditures</b>			
Current:			
Public works	35,542	35,588	(46)
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(20,422)	(20,929)	(507)
<b>Other Financing Sources</b>			
Transfers in	11,000	11,000	-
<b>Net Change in Fund Balances</b>	(9,422)	(9,929)	(507)
<b>Fund Balances, January 1</b>	12,154	12,154	-
<b>Fund Balances, December 31</b>	<u>\$ 2,732</u>	<u>\$ 2,225</u>	<u>\$ (507)</u>



**PLAINFIELD CHARTER TOWNSHIP**  
**Building Department Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**For the year ended December 31, 2005**

	Budget	Actual	Variance - Positive (Negative)
<b>Revenues</b>			
Charges for services	\$ 396,000	\$ 478,574	\$ 82,574
Interest and rentals	1,550	6,202	4,652
<b>Total Revenues</b>	<u>397,550</u>	<u>484,776</u>	<u>87,226</u>
<b>Expenditures</b>			
Current:			
Public safety	434,875	434,875	-
<b>Net Change in Fund Balances</b>	<u>(37,325)</u>	<u>49,901</u>	<u>87,226</u>
<b>Fund Balances, January 1</b>	<u>205,504</u>	<u>205,504</u>	<u>-</u>
<b>Fund Balances, December 31</b>	<u><u>\$ 168,179</u></u>	<u><u>\$ 255,405</u></u>	<u><u>\$ 87,226</u></u>

## **AGENCY FUNDS**

**PLAINFIELD CHARTER TOWNSHIP**  
**All Agency Funds**  
**Combining Schedule of Changes in Assets and Liabilities**  
**For the year ended December 31, 2005**

	Balances January 1, 2005	Additions	Deductions	Balances December 31, 2005
<b>Trust Account Fund</b>				
<b>Assets</b>				
Cash, deposits and investments	\$ 157,738	\$ 433,934	\$ 490,805	\$ 100,867
Accounts receivable	24,151	5,011	23,714	5,448
<b>Total Assets</b>	<u>\$ 181,889</u>	<u>\$ 438,945</u>	<u>\$ 514,519</u>	<u>\$ 106,315</u>
<b>Liabilities</b>				
Accounts payable	\$ 80,184	\$ 397,378	\$ 457,547	\$ 20,015
Due to other governmental units	(2,663)	214,920	215,119	(2,862)
Escrow deposits	104,368	224,732	239,938	89,162
<b>Total Liabilities</b>	<u>\$ 181,889</u>	<u>\$ 837,030</u>	<u>\$ 912,604</u>	<u>\$ 106,315</u>
<b>Tax Account Agency Fund</b>				
<b>Assets</b>				
Cash, deposits and investments	<u>\$ 2,086,394</u>	<u>\$39,922,474</u>	<u>\$37,257,274</u>	<u>\$ 4,751,594</u>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ 89,141	\$ 89,141	\$ -
Due to other funds	-	3,328,079	3,328,079	-
Due to other governmental units	2,086,394	36,505,254	33,840,054	4,751,594
<b>Total Liabilities</b>	<u>\$ 2,086,394</u>	<u>\$39,922,474</u>	<u>\$37,257,274</u>	<u>\$ 4,751,594</u>
<b>Totals - All Agency Funds</b>				
<b>Assets</b>				
Cash, deposits and investments	\$ 2,244,132	\$40,356,408	\$37,748,079	\$ 4,852,461
Accounts receivable	24,151	5,011	23,714	5,448
<b>Total Assets</b>	<u>\$ 2,268,283</u>	<u>\$40,361,419</u>	<u>\$37,771,793</u>	<u>\$ 4,857,909</u>
<b>Liabilities</b>				
Accounts payable	\$ 80,184	\$ 486,519	\$ 546,688	\$ 20,015
Due to other funds	-	3,328,079	3,328,079	-
Due to other governmental units	2,083,731	36,720,174	34,055,173	4,748,732
Escrow deposits	104,368	224,732	239,938	89,162
<b>Total Liabilities</b>	<u>\$ 2,268,283</u>	<u>\$40,759,504</u>	<u>\$38,169,878</u>	<u>\$ 4,857,909</u>

## **OTHER INFORMATION**

**PLAINFIELD CHARTER TOWNSHIP**  
**Summary of 2004 Taxes Levied and Collected**  
**For the year ended December 31, 2005**

	<u>Taxable Valuation</u>	<u>Rate (Mills)</u>	<u>Taxes Levied</u>	<u>Returned Delinquent</u>	<u>Current Collections</u>
<b><u>Ad Valorem Taxes</u></b>					
<b>Kent County</b>					
Operating	\$949,812,898	5.3140	\$ 5,047,124	\$ 265,022	\$ 4,782,102
Drains			71,048	4,106	66,942
			<u>5,118,172</u>	<u>269,128</u>	<u>4,849,044</u>
<b>Kent District Library</b>	949,812,898	0.8800	835,779	43,886	791,893
<b>State Education Tax</b>					
Comstock Park Public Schools	180,897,835	6.0000	1,085,381	33,519	1,051,862
Kenowa Hills Public Schools	1,121,127	6.0000	6,727	33	6,694
Northview Public Schools	438,769,045	6.0000	2,632,597	56,548	2,576,049
Rockford Public Schools	329,024,891	6.0000	1,974,137	58,605	1,915,532
			<u>5,698,842</u>	<u>148,705</u>	<u>5,550,137</u>
<b>School Districts</b>					
Kent Intermediate School District	949,812,898	4.5333	4,305,726	112,353	4,193,373
Grand Rapids Community College	949,812,898	1.7865	1,696,780	44,275	1,652,505
Comstock Park Public Schools:					
Other	180,897,835	8.1620	1,476,477	45,612	1,430,865
Operating	64,550,342	18.0000	1,161,903	64,374	1,097,529
Kenowa Hills Public Schools:					
Other	1,121,127	3.6000	4,036	20	4,016
Operating	163,089	18.0000	2,936	97	2,839
Northview Public Schools:					
Other	438,769,045	8.9572	3,930,085	138,056	3,792,029
Operating	153,512,731	18.0000	2,763,155	142,784	2,620,371
Rockford Public Schools:					
Other	329,024,891	9.5000	3,125,701	150,694	2,975,007
Operating	72,104,293	18.0000	1,297,872	110,384	1,187,488
			<u>19,764,671</u>	<u>808,649</u>	<u>18,956,022</u>
<b>Total School Districts</b>					
<b>Plainfield Charter Township</b>	949,812,898				
Operating		3.2900	3,124,825	164,083	2,960,742
Street lighting assessments			137,395	5,990	131,405
Delinquent special assessments			66,178	26,090	40,088
			<u>3,328,398</u>	<u>196,163</u>	<u>3,132,235</u>
<b>Total Township</b>					
			<u>\$34,745,862</u>	<u>\$1,466,531</u>	<u>\$33,279,331</u>
<b>Total Ad Valorem Taxes</b>					

(Continued)

**PLAINFIELD CHARTER TOWNSHIP**  
**Summary of 2004 Taxes Levied and Collected**  
**For the year ended December 31, 2005**

	<u>Taxable Valuation</u>	<u>Rate (Mills)</u>	<u>Taxes Levied</u>	<u>Returned Delinquent</u>	<u>Current Collections</u>
<b><u>Tax Abatements</u></b>					
<b>Industrial Facilities (P.A. 198) New</b>					
Kent County	\$18,451,872	2.65700	\$ 49,571	\$ -	\$ 49,571
Kent District Library	18,451,872	0.44000	8,209	-	8,209
State education tax:					
Comstock Park Public Schools	2,290,255	6.00000	13,742	-	13,742
Northview Public Schools	566,798	6.00000	3,401	-	3,401
Rockford Public Schools	15,594,819	6.00000	92,516	-	92,516
Kent Intermediate School District	31,377,426	2.26665	49,585	-	49,585
Grand Rapids Community College	31,377,426	0.89325	16,664	-	16,664
Comstock Park Public Schools:					
Operating	2,290,255	4.08100	20,612	-	20,612
Other	2,290,255	9.00000	9,347	-	9,347
Northview Public Schools:					
Operating	566,798	1.80000	6,942	-	3,454
Other	566,798	9.00000	3,454	-	6,942
Rockford Public Schools:					
Operating	15,594,819	4.47860	74,076	-	74,076
Other	15,594,819	9.00000	144,806	-	144,806
Plainfield Charter Township:					
Operating	18,451,872	1.64500	30,690	-	30,690
<b>Total Industrial Facilities (P.A. 198) New</b>			<u><u>\$ 523,615</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 523,615</u></u>

**PLAINFIELD CHARTER TOWNSHIP**  
**SCHEDULE OF INDEBTEDNESS**  
**December 31, 2005**

<b>Debt</b>	<b>Year Ended December 31</b>	<b>Interest Rate(%)</b>	<b>Principal</b>	<b>Interest</b>	<b>Interest</b>	<b>Total</b>
<b>Governmental Activities</b>						
1998 Township Hall Expansion			November 1	May 1	November 1	
	2006	4.88	\$ 55,000	\$ 2,684	\$ 2,684	\$ 60,368
	2007	4.88	55,000	1,342	1,342	57,684
			110,000	4,026	4,026	118,052
2002 Capital Improvement Bonds			May 1	May 1	November 1	
	2006	2.75	350,000	55,848	51,036	456,884
	2007	3.13	365,000	51,036	45,332	461,368
	2008	3.25	380,000	45,332	39,158	464,490
	2009	3.50	390,000	39,158	32,333	461,491
	2010	3.50	410,000	32,333	25,157	467,490
	2011	3.70	425,000	25,157	17,295	467,452
	2012	3.75	445,000	17,295	8,951	471,246
	2013	3.85	465,000	8,951	-	473,951
			3,230,000	275,110	219,262	3,724,372
Total Governmental Activities			<b>3,340,000</b>	<b>279,136</b>	<b>223,288</b>	<b>3,842,424</b>
<b>Business-Type Activities</b>						
Sewer Enterprise Fund:						
1991 Special Assessment Bonds			April 1	April 1	October 1	
	2006	2.00	80,000	4,558	3,757	88,315
	2007	2.00	85,000	3,757	2,908	91,665
	2008	2.00	85,000	2,908	2,057	89,965
	2009	2.00	85,000	2,057	1,208	88,265
	2010	2.00	85,000	1,208	357	86,565
	2011	2.00	35,749	357	-	36,106
			455,749	14,845	10,287	480,881
1998 North Kent Sewer Authority Bonds			May 1	May 1	November 1	
	2006	7.00	135,445	59,959	55,218	250,622
	2007	7.00	143,184	55,218	50,207	248,609
	2008	7.00	154,794	50,207	44,789	249,790
	2009	7.00	162,534	44,789	39,100	246,423
	2010	7.00	174,143	39,100	33,005	246,248
	2011	5.75	181,883	33,005	27,775	242,663
	2012	4.50	193,493	27,775	23,422	244,690
	2013	4.50	205,102	23,422	18,807	247,331
	2014	3.00	220,581	18,807	15,499	254,887
	2015	3.00	236,061	15,499	11,958	263,518
	2016	3.00	247,670	11,958	8,243	267,871
	2017	3.00	267,020	8,243	4,237	279,500
	2018	3.00	282,498	4,237	-	286,735
			2,604,408	392,219	332,260	3,328,887
Total Sewer Enterprise Fund			3,060,157	407,064	342,547	3,809,768

(Continued)

**PLAINFIELD CHARTER TOWNSHIP**  
**SCHEDULE OF INDEBTEDNESS**  
**December 31, 2005**

<u>Debt</u>	<u>Year Ended December 31</u>	<u>Interest Rate(%)</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest</u>	<u>Total</u>
Water Enterprise Fund:						
1987 Water Revenue Bonds			<u>November 1</u>	<u>May 1</u>	<u>November 1</u>	
	2006	8.625	115,000	10,350	10,350	135,700
	2007	8.625	125,000	5,391	5,391	135,782
			<u>240,000</u>	<u>15,741</u>	<u>15,741</u>	<u>271,482</u>
2001 Water Revenue Refunding Bonds			<u>May 1</u>	<u>May 1</u>	<u>November 1</u>	
	2006	3.75	440,000	98,295	90,045	628,340
	2007	3.85	455,000	90,045	81,514	626,559
	2008	3.95	480,000	81,514	71,914	633,428
	2009	4.125	500,000	71,914	61,601	633,515
	2010	4.00	530,000	61,601	51,001	642,602
	2011	4.10	550,000	51,001	39,726	640,727
	2012	4.25	575,000	39,726	27,508	642,234
	2013	4.35	610,000	27,507	14,240	651,747
	2014	4.45	640,000	14,240	-	654,240
			<u>4,780,000</u>	<u>535,843</u>	<u>437,549</u>	<u>5,753,392</u>
2003 Water Revenue Bonds			<u>November 1</u>	<u>May 1</u>	<u>November 1</u>	
	2006	2.00	185,000	76,310	76,310	337,620
	2007	2.00	190,000	74,460	74,460	338,920
	2008	2.05	195,000	72,560	72,560	340,120
	2009	2.30	200,000	70,561	70,561	341,122
	2010	3.00	205,000	68,261	68,261	341,522
	2011	3.00	215,000	65,186	65,186	345,372
	2012	3.00	225,000	61,961	61,961	348,922
	2013	3.00	230,000	58,586	58,586	347,172
	2014	3.15	240,000	55,136	55,136	350,272
	2015	3.25	250,000	51,356	51,356	352,712
	2016	3.35	265,000	47,294	47,294	359,588
	2017	3.50	275,000	42,855	42,855	360,710
	2018	3.60	290,000	38,043	38,043	366,086
	2019	3.70	305,000	32,823	32,823	370,646
	2020	3.80	320,000	27,180	27,180	374,360
	2021	4.00	335,000	21,100	21,100	377,200
	2022	4.00	350,000	14,400	14,400	378,800
	2023	4.00	370,000	7,400	7,400	384,800
			<u>4,645,000</u>	<u>885,472</u>	<u>885,472</u>	<u>6,415,944</u>

(Continued)



**PLAINFIELD CHARTER TOWNSHIP**  
**SCHEDULE OF INDEBTEDNESS**  
**December 31, 2005**

<b>Debt</b>	<b>Year Ended December 31</b>	<b>Interest Rate(%)</b>	<b>Principal</b>	<b>Interest</b>	<b>Interest</b>	<b>Total</b>
2004 Water Revenue Refnding Bonds			<u>November 1</u>	<u>May 1</u>	<u>November 1</u>	
	2006	2.00	195,000	29,134	29,135	253,269
	2007	2.00	205,000	27,184	27,184	259,368
	2008	2.50	205,000	25,134	25,135	255,269
	2009	2.75	210,000	22,572	22,572	255,144
	2010	3.00	215,000	19,684	19,685	254,369
	2011	3.25	220,000	16,459	16,459	252,918
	2012	3.50	225,000	12,884	12,885	250,769
	2013	3.63	235,000	8,947	8,947	252,894
	2014	3.75	250,000	4,688	4,689	259,377
			<u>1,960,000</u>	<u>166,686</u>	<u>166,691</u>	<u>2,293,377</u>
Total Water Enterprise Fund			<u>11,625,000</u>	<u>1,603,742</u>	<u>1,505,453</u>	<u>14,734,195</u>
Total Business-Type Activities			<u>14,685,157</u>	<u>2,010,806</u>	<u>1,848,000</u>	<u>18,543,963</u>
Total Debt			<u><u>\$18,025,157</u></u>	<u><u>\$2,289,942</u></u>	<u><u>\$2,071,288</u></u>	<u><u>\$22,386,387</u></u>

Hungerford, Aldrin,  
Nichols & Carter, P.C.  

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C P A s   A N D   C O N S U L T A N T S

**INDEPENDENT AUDITOR'S REPORT ON ON INTERNAL  
CONTROL OVER FINANCIAL REPORTING AND  
COMPLIANCE ON OTHER MATTERS BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING  
STANDARDS**

March 10, 2006

The Township Board  
Plainfield Charter Township  
Kent County, Michigan

We have audited the basic financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of Plainfield Charter Township as of and for the year ended December 31, 2005, and have issued our report thereon dated March 10, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Plainfield Charter Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Plainfield Charter Township's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

The Township Board  
Plainfield Charter Township  
March 10, 2006

This report is intended solely for the information and use of the Township Board, management, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

*Hungerford, Alden, Nichols & Martin, P.C.*

Certified Public Accountants

## **STATISTICAL SECTION**

(Unaudited)

**PLAINFIELD CHARTER TOWNSHIP**  
**Net Assets By Component**  
**2002 Through 2005**  
**(Accrual Basis of Accounting)**

	<b>Fiscal Year</b>			
	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
Governmental activities:				
Investment in capital assets, net of related debt	\$ 2,702,221	\$ 6,041,038	\$ 6,642,605	\$ 7,006,368
Restricted	167,550	943,236	244,898	279,569
Unrestricted	4,909,074	2,283,642	2,633,361	2,730,471
Total governmental activities net assets	<u>\$ 7,778,845</u>	<u>\$ 9,267,916</u>	<u>\$ 9,520,864</u>	<u>\$10,016,408</u>
Business-type activities:				
Investment in capital assets, net of related debt	\$ 30,347,067	\$28,898,485	\$31,062,249	\$36,029,685
Restricted	1,691,911	968,615	1,188,015	1,090,135
Unrestricted	10,072,796	15,319,466	16,217,453	14,164,126
Total business-type activities net assets	<u>\$ 42,111,774</u>	<u>\$45,186,566</u>	<u>\$48,467,717</u>	<u>\$51,283,946</u>
Primary government:				
Investment in capital assets, net of related debt	\$ 33,049,288	\$34,939,523	\$37,704,854	\$43,036,053
Restricted	1,859,461	1,911,851	1,432,913	1,369,704
Unrestricted	14,981,870	17,603,108	18,850,814	16,894,597
Total primary government net assets	<u>\$ 49,890,619</u>	<u>\$54,454,482</u>	<u>\$57,988,581</u>	<u>\$61,300,354</u>

**PLAINFIELD CHARTER TOWNSHIP**  
**Changes in Net Assets**  
**2002 Through 2005**  
**(Accrual Basis of Accounting)**

	Fiscal Year			
	2002	2003	2004	2005
<b>Expenses</b>				
Governmental activities:				
General government	\$ 3,516,177	\$ 2,378,550	\$ 2,543,493	\$ 2,469,786
Legislative	247,200	13,751	22,959	-
Public safety	3,078,267	2,919,788	2,898,776	2,982,464
Public works	507,738	373,825	443,774	604,465
Recreation and culture	625,271	553,330	416,544	516,584
Insurance	-	120,320	121,302	131,510
Interest on debt	32,549	135,393	134,345	122,574
Total government activities	8,007,202	6,494,957	6,581,193	6,827,383
Business-type activities:				
Sewer utility	2,313,961	2,330,591	2,351,971	2,503,299
Water utility	3,314,249	3,441,189	3,717,555	3,946,987
Total business-type activities	5,628,210	5,771,780	6,069,526	6,450,286
Total primary government expenses	<u>\$13,635,412</u>	<u>\$12,266,737</u>	<u>\$12,650,719</u>	<u>\$13,277,669</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
General government	\$ 670,628	\$ 711,684	\$ 870,484	\$ 924,886
Public safety	313,444	441,564	450,151	524,083
Recreation and culture	71,314	64,813	47,095	63,026
Operating grants and contributions	217,986	136,881	154,278	172,598
Capital grants and contributions	31,192	21,499	32,063	267,289
Total governmental activities	1,304,564	1,376,441	1,554,071	1,951,882
Business-type activities:				
Charges for services:				
Sewer utility	3,032,868	2,962,921	3,232,060	2,420,500
Water utility	4,046,154	4,991,311	4,805,664	5,022,316
Capital grants and contributions	178,400	683,099	1,071,358	1,331,440
Total business-type activities	7,257,422	8,637,331	9,109,082	8,774,256
Total primary government program revenues	<u>\$ 8,561,986</u>	<u>\$10,013,772</u>	<u>\$10,663,153</u>	<u>\$10,726,138</u>
<b>Net (Expense) Revenue</b>				
Governmental activities	\$(6,702,638)	\$(5,118,516)	\$(5,027,122)	\$(4,875,501)
Business-type activities	1,629,212	2,865,551	3,039,556	2,323,970
Total primary government net (expense) revenue	<u>\$(5,073,426)</u>	<u>\$(2,252,965)</u>	<u>\$(1,987,566)</u>	<u>\$(2,551,531)</u>

(Continued)

**PLAINFIELD CHARTER TOWNSHIP**  
**Changes in Net Assets**  
**2002 Through 2005**  
**(Accrual Basis of Accounting)**

	Fiscal Year			
	2002	2003	2004	2005
<b>General Revenues and Other Changes in Net Assets</b>				
Governmental activities:				
Property taxes	\$ 2,184,432	\$ 2,295,544	\$ 2,954,135	\$ 3,106,988
State shared revenue	2,522,899	2,276,232	2,201,220	2,155,946
Federal sources	-	65,262	-	-
Investment earnings	111,707	143,054	115,674	104,460
Gain on sale of capital assets	42,394	2,706	9,041	28,651
Transfers - internal activities	(75,000)	(25,000)	-	(25,000)
Total governmental activities	4,786,432	4,757,798	5,280,070	5,371,045
Business-type activities:				
Investment earnings	217,586	184,241	241,595	467,259
Transfers - internal activities	75,000	25,000	-	25,000
Total business-type activities	292,586	209,241	241,595	492,259
Total primary government	<u>\$ 5,079,018</u>	<u>\$ 4,967,039</u>	<u>\$ 5,521,665</u>	<u>\$ 5,863,304</u>
<b>Changes in Net Assets</b>				
Governmental activities	\$(1,916,206)	\$ (360,718)	\$ 252,948	\$ 495,544
Business-type activities	1,921,798	3,074,792	3,281,151	2,816,229
Total primary government	<u>\$ 5,592</u>	<u>\$ 2,714,074</u>	<u>\$ 3,534,099</u>	<u>\$ 3,311,773</u>

(Concluded)

**PLAINFIELD CHARTER TOWNSHIP**  
**Fund Balances, Governmental Funds**  
**1996 Through 2005**

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	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>
General Fund:				
Reserved	\$ 309,430	\$ 511,758	\$ 457,733	\$ 404,963
Unreserved	<u>776,365</u>	<u>1,148,661</u>	<u>1,470,723</u>	<u>1,871,359</u>
Total general fund	<u><u>\$ 1,085,795</u></u>	<u><u>\$ 1,660,419</u></u>	<u><u>\$ 1,928,456</u></u>	<u><u>\$ 2,276,322</u></u>
All Other Governmental Funds:				
Reserved	\$ 539,592	\$ 689,381	\$ 656,915	\$ 636,813
Unreserved, reported in				
Special revenue funds	3,857,229	191,018	257,958	255,525
Capital projects funds	<u>-</u>	<u>12,372</u>	<u>23,338</u>	<u>46,706</u>
Total all other governmental funds	<u><u>\$ 4,396,821</u></u>	<u><u>\$ 892,771</u></u>	<u><u>\$ 938,211</u></u>	<u><u>\$ 939,044</u></u>



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<b>Fiscal Year</b>					
<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
\$ 262,156	\$ 303,984	\$ 303,984	\$ 302,081	\$ 288,624	\$ 110,156
<u>2,298,468</u>	<u>2,403,307</u>	<u>1,610,222</u>	<u>1,573,204</u>	<u>1,898,594</u>	<u>2,177,486</u>
<u><u>\$ 2,560,624</u></u>	<u><u>\$ 2,707,291</u></u>	<u><u>\$ 1,914,206</u></u>	<u><u>\$ 1,875,285</u></u>	<u><u>\$ 2,187,218</u></u>	<u><u>\$ 2,287,642</u></u>
\$ 628,695	\$ 661,582	\$ 167,196	\$ 201,318	\$ 239,532	\$ 279,569
69,913	170,810	557,083	512,757	532,214	597,739
<u>-</u>	<u>-</u>	<u>2,537,917</u>	<u>748,634</u>	<u>5,366</u>	<u>-</u>
<u><u>\$ 698,608</u></u>	<u><u>\$ 832,392</u></u>	<u><u>\$ 3,262,196</u></u>	<u><u>\$ 1,462,709</u></u>	<u><u>\$ 777,112</u></u>	<u><u>\$ 877,308</u></u>

**PLAINFIELD CHARTER TOWNSHIP**  
**Changes In Fund Balances, Governmental Funds**  
**1996 Through 2005**

	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>
<b>Revenues</b>				
Taxes	\$ 1,522,102	\$ 1,622,641	\$ 1,452,934	\$ 1,588,336
Licenses and permits	434,502	369,203	454,775	481,918
Intergovernmental:				
Federal	-	-	-	-
State	1,792,197	2,242,890	2,083,687	2,399,767
Charges for services	51,217	111,767	165,815	158,595
Fines and forfeitures	329	1,364	1,467	662
Interest and rentals	385,010	408,435	215,610	217,368
Other	584,873	602,471	684,428	638,989
Total revenues	<u>4,770,230</u>	<u>5,358,771</u>	<u>5,058,716</u>	<u>5,485,635</u>
<b>Expenditures</b>				
Legislative	21,059	14,608	14,764	74,667
General government	1,101,395	1,151,669	1,531,173	1,819,187
Public safety	1,313,810	1,319,689	1,667,221	1,914,778
Public works	493,906	512,282	437,368	570,684
Recreation and culture	171,375	175,063	219,508	300,313
Other expenditures	373,399	357,655	65,359	57,840
Capital outlay	593,433	698,924	1,206,418	244,121
Debt service				
Principal	-	-	35,000	35,000
Interest	-	-	18,428	20,346
Total expenditures	<u>4,068,377</u>	<u>4,229,890</u>	<u>5,195,239</u>	<u>5,036,936</u>
Excess of revenues over (under) expenditures	<u>701,853</u>	<u>1,128,881</u>	<u>(136,523)</u>	<u>448,699</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	1,087,063	1,030,080	507,987	228,912
Transfers out	(1,087,063)	(5,088,387)	(507,987)	(328,912)
Bonds issued	-	-	450,000	-
Gain on sale of capital assets	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(4,058,307)</u>	<u>450,000</u>	<u>(100,000)</u>
Net changes in fund balances	<u>\$ 701,853</u>	<u>\$ (2,929,426)</u>	<u>\$ 313,477</u>	<u>\$ 348,699</u>
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	2.12%	1.67%

<b>Fiscal Year</b>					
<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
\$ 1,699,404	\$ 2,095,418	\$ 2,273,213	\$ 2,302,259	\$ 2,929,086	\$ 3,244,383
195,294	240,199	300,945	236,549	300,645	314,272
-	-	-	65,262	-	-
2,527,639	2,652,655	2,522,899	2,276,232	2,201,220	2,173,609
438,987	499,109	470,403	648,858	642,853	673,150
505	1,132	1,364	2,559	1,083	776
296,923	252,991	111,707	143,054	115,674	138,462
436,080	500,340	534,720	491,181	618,531	607,649
5,594,832	6,241,844	6,215,251	6,165,954	6,809,092	7,152,301
25,756	23,551	26,039	19,461	20,952	22,060
1,956,675	1,853,728	3,308,494	2,209,516	2,319,272	2,342,457
2,095,650	2,380,579	2,730,077	2,738,536	2,645,427	2,912,997
759,019	388,420	398,812	373,825	404,989	604,465
315,865	352,661	441,515	449,109	380,138	398,654
73,946	80,547	95,073	120,320	121,302	131,510
62,819	512,684	1,395,544	1,891,451	774,411	-
40,000	40,000	45,000	45,000	380,000	390,000
19,059	16,822	14,843	132,144	136,265	124,538
5,348,789	5,648,992	8,455,397	7,979,362	7,182,756	6,926,681
246,043	592,852	(2,240,146)	(1,813,408)	(373,664)	225,620
112,254	592,496	306,569	128,216	30,000	56,366
(214,431)	(909,196)	(381,569)	(153,216)	(30,000)	(81,366)
-	-	3,900,000	-	-	-
-	-	51,865	-	-	-
(102,177)	(316,700)	3,876,865	(25,000)	-	(25,000)
\$ 143,866	\$ 276,152	\$ 1,636,719	\$(1,838,408)	\$ (373,664)	\$ 200,620
1.55%	1.55%	1.07%	3.05%	8.20%	7.66%

**PLAINFIELD CHARTER TOWNSHIP**  
**Tax Revenues By Source, Governmental Funds**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

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<b>Year Ended December 31</b>	<b>General Property Taxes</b>
1996	\$ 1,522,102
1997	1,622,641
1998	1,452,934
1999	1,588,336
2000	1,699,404
2001	2,095,418
2002	2,273,213
2003	2,302,259
2004	2,929,086
2005	3,106,988

**PLAINFIELD CHARTER TOWNSHIP**  
**State Equalized Value and Estimated Actual Value of Taxable Property**  
**1996 Through 2005**

<b>Fiscal Year Ending</b>	<b>Real Property</b>			<b>Personal Property</b>		
	<b>*State Equalized Value</b>	<b>Taxable Value</b>	<b>Estimated Actual Value</b>	<b>*State Equalized Value</b>	<b>Taxable Value</b>	<b>Estimated Actual Value</b>
1996	\$ 492,156,600	\$489,931,025	\$ 984,313,200	\$37,073,900	\$37,071,500	\$ 74,147,800
1997	530,233,900	520,589,345	1,060,467,800	40,629,200	40,851,700	81,258,400
1998	589,810,300	563,346,959	1,179,620,600	44,950,100	44,943,900	89,900,200
1999	650,517,500	599,238,345	1,301,035,000	48,661,200	48,654,166	97,322,400
2000	704,624,800	637,982,358	1,409,249,600	53,233,300	53,216,359	106,466,600
2001	760,884,100	678,888,369	1,521,768,200	55,673,600	55,673,600	111,347,200
2002	827,459,000	732,269,989	1,654,918,000	58,906,800	58,896,672	117,813,600
2003	962,131,400	830,857,812	1,924,262,800	58,740,400	58,740,400	117,480,800
2004	1,016,585,400	886,906,283	2,033,170,800	61,647,400	62,906,615	123,294,800
2005	1,098,968,500	952,230,845	2,197,937,000	65,366,200	65,366,200	130,732,400

Source: Plainfield Charter Township Assessor

The township's millage rate is currently limited to 5 mills for operations.

The maximum allowable millage rate after Headlee Rollback Reduction is 4.1949 mills for 2005.

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<b>*State Equalized Value</b>	<b>Total</b>		<b>Tax Rate Mills</b>
	<b>Taxable Value</b>	<b>Estimated Actual Value</b>	
\$ 529,230,500	\$ 527,002,525	\$1,058,461,000	2.8500
570,863,100	561,441,045	1,141,726,200	2.8500
634,760,400	608,290,859	1,269,520,800	2.3500
699,178,700	647,892,511	1,398,357,400	2.4500
757,858,100	691,198,717	1,515,716,200	2.4500
816,557,700	734,561,969	1,633,115,400	2.8500
886,365,800	791,166,661	1,772,731,600	2.8000
1,020,871,800	889,598,212	2,041,743,600	3.3100
1,078,232,800	949,812,898	2,156,465,600	3.2900
1,164,334,700	1,017,597,045	2,328,669,400	3.2900

**PLAINFIELD CHARTER TOWNSHIP**  
**Property Tax Rates - Direct and Overlapping Governments**  
**(Per \$1,000 of Taxable Value)**  
**1996 Through 2005**

<b>Year of Levy</b>	<b>Township Direct Rate</b>	<b>Kent County</b>	<b>Kent District Library</b>	<b>State Education Tax</b>	<b>Kent Intermediate School District</b>
1996 Homestead	2.8500	5.1014	0.6800	6.0000	3.8803
Non Homestead	2.8500	5.1014	0.6800	6.0000	3.8803
1997 Homestead	2.8500	5.1090	0.6800	6.0000	3.8803
Non Homestead	2.8500	5.1090	0.6800	6.0000	3.8803
1998 Homestead	2.3500	5.1166	0.6800	6.0000	3.8803
Non Homestead	2.3500	5.1166	0.6800	6.0000	3.8803
1999 Homestead	2.4500	5.1166	0.6800	6.0000	3.8803
Non Homestead	2.4500	5.1166	0.6800	6.0000	3.8803
2000 Homestead	2.4500	5.3551	0.6431	12.0000	3.8625
Non Homestead	2.4500	5.3551	0.6431	12.0000	3.8625
2001 Homestead	2.8500	5.3340	0.8787	6.0000	3.8430
Non Homestead	2.8500	5.3340	0.8787	6.0000	3.8430
2002 Homestead	2.8000	5.3140	0.8769	6.0000	3.8192
Non Homestead	2.8000	5.3140	0.8769	6.0000	3.8192
2003 Homestead	3.3100	5.3140	0.8710	5.0000	3.7903
Non Homestead	3.3100	5.3140	0.8710	5.0000	3.7903
2004 Homestead	3.2900	5.3140	0.8800	6.0000	4.5333
Non Homestead	3.2900	5.3140	0.8800	6.0000	4.5333
2005 Homestead	3.2900	5.3140	0.8800	6.0000	4.6453
Non Homestead	3.2900	5.3140	0.8800	6.0000	4.6453

Source: Plainfield Charter Township Assessor

The township's millage rate is currently limited to 5 mills for operations.

The maximum allowable millage rate after Headlee Rollback Reduction is 4.1949 mills for 2005.

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**Overlapping Rates**

<b>Grand Rapids Community College</b>	<b>Rockford School District</b>	<b>Northview School District</b>	<b>Kenowa Hills School District</b>	<b>Comstock Park School District</b>
1.8285	7.5000	5.6000	0.0000	10.4620
1.8285	25.5000	23.6000	18.0000	28.4620
1.8285	10.4946	11.0000	5.6538	10.4620
1.8285	28.4946	29.0000	23.6538	28.4620
1.8285	8.3830	8.0000	5.2320	8.1620
1.8285	26.3830	26.0000	23.2320	26.1620
1.8285	8.3830	8.0000	5.2320	8.1620
1.8285	26.3830	26.0000	23.2320	26.1620
1.8201	8.3688	8.0000	4.3604	8.1620
1.8201	26.3688	26.0000	22.3604	26.1620
1.8109	8.5000	8.2422	3.8000	8.1620
1.8109	26.5000	26.2422	21.8000	26.1620
1.8000	8.5000	8.2312	3.6000	8.1620
1.8000	26.5000	26.2312	21.6000	26.1620
1.7865	8.5000	8.2186	3.6000	8.1620
1.7865	26.5000	26.2186	21.6000	26.1620
1.7865	9.5000	8.9572	3.6000	8.1620
1.7865	27.5000	26.9572	21.6000	26.1620
1.7865	9.4949	8.9572	3.3600	9.1621
1.7865	27.4949	26.9572	21.3600	27.1621



**PLAINFIELD CHARTER TOWNSHIP**  
**Principal Property Taxpayers**  
**Current year and six years ago**

Taxpayer	Type of Business	2005			1999*		
		Taxable Value	Rank	Percent of Total Twp. Taxable Value	Taxable Value	Rank	Percent of Total Twp. Taxable Value
Wynalda Litho, Inc.	Manufacturing	\$ 12,438,800	1	1.20%	\$ 5,578,533	3	0.85%
Consumers Energy Co.	Utility	11,299,512	2	1.09%	7,544,286	2	1.15%
Michigan Consolidated Gas Co.	Utility	8,340,200	3	0.80%	4,692,600	8	0.72%
Gill Industries Inc.	Manufacturing	7,313,641	4	0.70%	5,198,550	4	0.79%
Meijer Inc.	Retailer	7,119,752	5	0.69%	8,344,244	1	1.28%
West Michigan Baseball	Sports Complex	5,934,887	6	0.57%	4,857,859	5	0.74%
Northview Harbor Ltd.	Apartments	5,647,900	7	0.54%	4,725,000	7	0.72%
Northern/Woodland Estates	Mobile Home Park	5,224,368	8	0.50%	4,761,380	6	0.73%
Jupiter Development	Real Estate	4,650,518	9	0.45%			
Jackson Products	Manufacturing	4,513,340	10	0.43%	3,616,886	9	0.55%
Hidden Valley Apartments	Apartments	-			3,434,300	10	0.52%
Ten Largest Taxpayers		72,482,918		6.98%	52,753,638		8.06%
Other Taxpayers		965,691,877			601,664,353		
Total Taxable Value		<u>\$1,038,174,795</u>			<u>\$654,417,991</u>		

\*Earliest year available

Source: Plainfield Charter Township Assessor

**PLAINFIELD CHARTER TOWNSHIP**  
**Property Tax Levies and Collections**  
**1996 Through 2005**

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<b>Year Ended December 31</b>	<b>Total Tax Levy</b>	<b>Current Tax Collections</b>	<b>Percent of Levy Collected</b>	<b>Delinquent Tax Collections</b>	<b>Total Tax Collections</b>	<b>Percent of Total Tax Collections Total Levy</b>
1996	\$1,519,672	\$1,517,225	99.84 %	\$ 3,436	\$1,520,661	100.07 %
1997	1,499,826	1,497,067	99.82	4,927	1,501,994	100.14
1998	1,599,296	1,594,908	99.73	3,210	1,598,118	99.93
1999	1,421,841	1,419,390	99.83	7,565	1,426,955	100.36
2000	1,586,698	1,572,488	99.10	2,959	1,575,447	99.29
2001	1,713,154	1,677,670	97.93	4,111	1,681,781	98.17
2002	2,198,923	2,187,010	99.46	2,329	2,189,339	99.56
2003	2,363,940	2,349,574	99.39	3,016	2,352,590	99.52
2004	2,932,668	2,901,132	98.92	6,879	2,908,011	99.16
2005	3,124,825	3,044,214	97.42	7,501	3,051,715	97.66

Source: Plainfield Charter Township Treasurer

**PLAINFIELD CHARTER TOWNSHIP**  
**Ratios Of Outstanding Debt By Type**  
**1996 Through 2005**

<b>Year Ended December 31</b>	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>
	<b>Installment Purchase Agreement</b>	<b>General Obligation Bonds</b>	<b>Sewer Bonds</b>	<b>Water Bonds</b>	
1996	\$ -	\$ -	\$ 1,120,749	\$ 11,480,000	\$ 12,600,749
1997	-	-	1,050,749	11,055,000	12,105,749
1998	415,000	-	980,749	10,600,000	11,995,749
1999	380,000	-	4,268,829	10,170,000	14,818,829
2000	340,000	-	4,025,636	9,655,000	14,020,636
2001	300,000	-	3,846,150	9,525,000	13,671,150
2002	255,000	-	3,662,794	8,900,000	12,817,794
2003	210,000	3,900,000	3,471,698	13,250,000	20,831,698
2004	160,000	3,570,000	3,267,863	12,515,000	19,512,863
2005	110,000	3,230,000	3,060,157	11,625,000	18,025,157

Plainfield Charter Township participates in the North Kent Sewer Authority, a joint venture as defined by GASB Statement #14. The purpose of the Authority is to construct and maintain sewage transportation infrastructure. The Township pays the Authority based on its share of sewage flow through the system to cover debt service, maintenance, and administration of the Authority. The most recent allocation of outstanding debt based on flow through the system indicated debt attributable to Plainfield Charter Township of:

NKSA Bonds Series 2005	2,836,800
NKSA Bonds Series 2002	724,992
NKSA Bonds dated September 12, 2001 (Limited Tax)	2,424,143
NKSA Bonds dated April 1, 2000 (Limited Tax)	1,388,126
NKSA Bonds dated June 1, 1998 (Unfixed Portion)	89,910

This debt has been excluded from Plainfield Charter Township financial statements because principal and interest payments are based upon Township's portion of sewage flow through the system, and the Township does not have an equity interest in the joint venture.

Source: Municipal Advisory Council of Michigan and Plainfield Charter Township

Source: U.S. Census Department (population) see demographic and economic statistics schedule for details

Source: U.S. Department of Labor (per capital income) see demographic and economic statistical schedule for details

1. Township population is 24,946 for 1996, 27,971 for 1997 - 1999, and 30,195 for 2000 - 2005

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<b>Percentage of Personal Income</b>	<b>Net Bonded Debt Per Capita<sup>1</sup></b>
2.07%	\$ 505
1.70%	433
1.60%	429
1.90%	530
1.57%	464
1.53%	453
1.42%	425
2.27%	690
2.12%	646
1.97%	597

**PLAINFIELD CHARTER TOWNSHIP**  
**Ratios Of General Bonded Debt Outstanding**  
**1996 Through 2005**

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<b>Year Ended December 31</b>	<b>Estimated Population</b>	<b>State Equalized Valuation</b>	<b>General Obligation Bonds</b>	<b>Less Available Debt Service Funds</b>	<b>Percentage of Estimated Actual Value of Taxable Property</b>	<b>Per Capita</b>
1996	24,946	\$541,592,800	\$ -	\$ -	0.00%	\$ -
1997	27,971	583,505,900	-	-	0.00%	-
1998	27,971	648,719,200	415,000	-	0.06%	15
1999	27,971	712,445,500	380,000	-	0.05%	14
2000	30,195	773,161,600	340,000	-	0.04%	11
2001	30,712	830,155,300	300,000	-	0.04%	10
2002	30,939	899,861,800	255,000	-	0.03%	8
2003	31,109	1,036,068,300	4,110,000	-	0.40%	132
2004	31,348	1,096,985,600	3,730,000	-	0.34%	119
2005	31,348	1,185,237,000	3,340,000	-	0.28%	107

General Obligation Bonds in this table represent only those bonds serviced from property tax revenues. There is one other General Obligation bond issue that is serviced from Water Revenues that is not included here.

Source: Plainfield Charter Township Assessor (State Equalized Valuation)

Source: U.S. Census Department (Population)

**PLAINFIELD CHARTER TOWNSHIP**  
**Direct and Overlapping Governmental Activities Debt**  
**December 31, 2005**

<u>Jurisdiction</u>	<u>Bonds Outstanding</u>	<u>Percentage Applicable to Township</u>	<u>Township's Share of Debt</u>
Direct:			
Plainfield Charter Township	\$ 3,340,000 (1)	100.00 %	\$ 3,340,000
Overlapping (2):			
Kent County	86,945,000	5.25	4,564,613
Grand Rapids Community College	60,195,000	5.11	3,075,965
Rockford School District	126,973,203	26.20	33,266,979
Northview School District	23,410,000	87.85	20,565,685
Comstock Park School District	33,180,000	55.67	18,471,306
Kenowa Hills School District	35,915,000	0.14	50,281
Total Overlapping Debt			<u>79,994,829</u>
Total Direct and Overlapping Debt			<u><u>\$83,334,829</u></u>

(1) Excluding general obligation limited tax and revenue bonds reported in the enterprise funds.

(2) Overlapping debt is the portion of another taxing unit's debt for which property taxpayers of Plainfield Charter Township are liable in addition to debt issued by Plainfield Charter Township.

Source: Municipal Advisory Council of Michigan and Plainfield Charter Township

**PLAINFIELD CHARTER TOWNSHIP**  
**Legal Debt Margin Information**  
**1996 Through 2005**

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	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>
Debt Limit	\$57,086,310	\$ 63,467,140	\$ 69,917,870	\$ 77,316,160
Net General Obligation Debt Subject to Limitation	<u>-</u>	<u>-</u>	<u>415,000</u>	<u>380,000</u>
Legal Debt Margin	<u>\$57,086,310</u>	<u>\$ 63,467,140</u>	<u>\$ 69,502,870</u>	<u>\$ 76,936,160</u>
Total net debt applicable to the limit as a percentage of the debt limit	0.00%	0.00%	0.59%	0.49%

**Legal Debt Margin Calculation for Fiscal Year 2005**

State Equalized Valuation	<u>\$1,185,237,000</u>
Debt Limit - 10% of State Equalized Value	\$ 118,523,700
Debt Outstanding	\$ 18,025,158
Less: Exempt Debt	<u>10,040,158</u>
Net General Obligation Debt Subject to Limitation	<u>7,985,000</u>
Legal Debt Margin	<u>\$ 110,538,700</u>

State law limits the amount of township general obligation debt to 10% of state equalized value.  
(1) Includes the State Equalized Valuation of property granted tax abatement under Act 198.

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<b>Fiscal Year</b>					
<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
\$ 83,015,530	\$ 89,986,180	\$ 96,898,240	\$103,606,830	\$109,698,560	\$118,523,700
<u>340,000</u>	<u>300,000</u>	<u>255,000</u>	<u>9,110,000</u>	<u>8,555,000</u>	<u>7,985,000</u>
<u><u>\$ 82,675,530</u></u>	<u><u>\$ 89,686,180</u></u>	<u><u>\$ 96,643,240</u></u>	<u><u>\$ 94,496,830</u></u>	<u><u>\$101,143,560</u></u>	<u><u>\$110,538,700</u></u>
0.41%	0.33%	0.26%	8.79%	7.80%	6.74%



**PLAINFIELD CHARTER TOWNSHIP**  
**Pledged-Revenue Coverage**  
**1996 Through 2005**

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Year Ended December 31	Gross Revenue	Operating Expenses	Net Revenue Available for Debt Service	Debt Service		Coverage
				Principal	Interest	
1996	\$ 3,489,372	\$ 1,457,202	\$ 2,032,170	\$ 425,000	\$ 644,111	1.9
1997	3,473,655	1,429,246	2,044,409	455,000	623,024	1.9
1998	4,079,092	1,636,444	2,442,648	505,000	641,495	2.1
1999	3,905,231	1,856,503	2,048,728	480,000	595,269	1.9
2000	3,710,079	1,824,714	1,885,365	515,000	565,521	1.7
2001	4,100,486	1,943,498	2,156,988	540,000	545,092	2.0
2002	4,088,343	1,989,491	2,098,852	625,000	448,998	2.0
2003	5,735,019	2,050,738	3,684,281	650,000	464,124	3.3
2004	5,864,212	2,350,497	3,513,715	880,000	437,594	2.7
2005	5,753,969	2,478,478	3,275,491	890,000	439,906	2.5

Water Supply System Revenue and General Obligation Bonds (Serviced by Water Fund)

**PLAINFIELD CHARTER TOWNSHIP**  
**Demographic Statistics**  
**1996 Through 2005**

<b>Year</b>	<b>Population<sup>1</sup></b>	<b>Per Capita Personal Income<sup>7</sup></b>	<b>Unemployment Rate</b>
1996	24,946 <sup>2</sup>	\$ 24,466	2.6
1997	27,971 <sup>3</sup>	25,573	2.1
1998	27,971	27,010	1.9
1999	27,971	27,837	2.0
2000	30,195 <sup>4</sup>	29,392	2.0
2001	30,712 <sup>5</sup>	30,195	3.3
2002	30,939 <sup>5</sup>	29,830	4.1
2003	31,109 <sup>5</sup>	30,624	5.2
2004	31,348 <sup>5</sup>	N/A	4.6
2005	31,348 <sup>6</sup>	N/A	4.0

Source: U.S. Department of Labor (per capital income and unemployment rates)

<sup>1</sup> Source: U.S. Census Bureau (population)

<sup>2</sup> 1990 Census

<sup>3</sup> Mid-decade Census

<sup>4</sup> 2000 Census

<sup>5</sup> Population estimates

<sup>6</sup> Population estimates not available

<sup>7</sup> Bureau of Economic Analysis, US Dept of Commerce (Kent County)

**PLAINFIELD CHARTER TOWNSHIP**  
**Principal Employers**  
**Current year and four years ago**

<b>Taxpayer</b>	<b>Type of Business</b>	<b>2005</b>			<b>2001*</b>		
		<b>Approx. Number of Employees</b>	<b>Rank</b>	<b>Percent of Total Twp. Employment</b>	<b>Approx. Number of Employees</b>	<b>Rank</b>	<b>Percent of Total Twp. Employment</b>
Rockford Public Schools	Education	900	1	5.31%	611	2	3.61%
Gill Industries	Industrial/Manufacturing	379	2	2.24%	440	3	2.60%
Northview Public Schools	Education	350	3	2.06%	422	4	2.49%
Meijer, Inc.	Retail	343	4	2.02%	1,082	1	6.39%
Jackson Products	Manufacturing	275	5	1.62%	308	5	1.82%
Comstock Park Schools	Education	256	6	1.51%	235	7	1.39%
NuCraft Furniture	Manufacturing	218	7	1.29%	258	6	1.52%
Lowe's	Home Improvement	200	8	1.18%	180	8	1.06%
Progressive Engineering	Engineering	140	9	0.83%	125	10	
K&M Northfield Dodge	Auto Sales & Repair	130	10	0.77%			0.00%
Canteen Services	Vending/Food Services	130			174	9	1.03%
Ten Largest Employers		3,321		18.82%	3,835		21.92%
Other Employers		13,636			13,090		
Total Employed		16,957			16,925		

\*Earliest year available

Source: Plainfield Township

Source: State of Michigan Labor Market Information

**PLAINFIELD CHARTER TOWNSHIP**  
**Full-Time Equivalent Township Employees By Function**  
**2000 Through 2005**

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<b>Function</b>	<b>Fiscal Year</b>					
	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
General government	32.2	30.8	34.0	31.8	31.2	30.9
Public safety	16.0	19.2	21.4	21.1	21.3	25.0
Parks and recreation	2.3	2.5	3.8	3.1	2.8	2.6
Building inspection	4.0	4.0	4.0	4.0	4.0	3.5
Water utility	16.0	16.2	15.8	15.8	17.2	17.0
Total	70.5	72.7	78.9	75.8	76.5	79.0

Source: Plainfield Charter Township payroll records

**PLAINFIELD CHARTER TOWNSHIP**  
**Operating Indicators By Function**  
**2001 Through 2005**

	Fiscal Year				
	2001	2002	2003	2004	2005
<b>Function</b>					
General government:					
Tax bills issued	12,219	12,314	12,423	12,537	12,644
Number of registered voters	21,311	20,232	20,500	20,500	21,921
Public Safety - Fire Protection:					
Number of calls answered	2,096	1,875	1,907	2,109	2,055
Number of inspections conducted	200	150	250	350	400
Police Protection: Kent County Sheriff:					
Number of incidents	11,581	11,792	11,625	11,234	11,728
Sewer System:					
Number of service connections	6,500	6,683	6,874	7,070	7,312
Number of residential equivalency units	11,100	11,399	11,738	12,049	12,392
Daily average treatment in gallons - MGD	1.66123	1.91928	1.60734	1.74523	1.68036
Water System:					
Number of residential equivalency units	13,800	17,806	17,866	18,232	18,415
Daily average consumption in gallons - MGD	3.8104	4.1424	3.9822	3.8443	4.2874
Maximum daily capacity of plant in gallons - MGD	16.0	16.0	16.0	16.0	16.0
Peak Daily Demand - MGD	10.3	10.4	9.8	7.8	10.0

Source: Plainfield Charter Township records

**PLAINFIELD CHARTER TOWNSHIP**  
**Capital Assets Statistics By Function/Program**  
**2001 Through 2005**

	Fiscal Year				
	2001	2002	2003	2004	2005
<b>Function/Program</b>					
Public Safety:					
Fire stations	2	2	2	2	2
Fire vehicles	16	16	16	17	16
Public works:					
Number of trucks	13	14	15	13	15
Miles of major streets:					
Primary	33.02	35.60	35.60	35.60	35.60
Local	126.75	126.22	127.30	129.42	131.27
Number of street lights	1,265	1,297	1,285	1,295	1,329
Number of cemeteries	2	2	2	2	2
Culture and recreation:					
Township parks	9	9	11	11	11
County/State parks	4	4	5	5	5
Sewer System:					
Miles of sanitary sewers	121	137	140	145	148
Water System:					
Miles of water mains	200	201	206	212	216
Number of treatment plants	1	1	1	1	1
Number of water storage tanks	10	10	12	13	13
Number of fire hydrants:	1,907	1,897	2,056	2,139	2,212
Plainfield Township	1,428	1,472	1,548	1,624	1,694
Alpine Township	440	387	441	448	451
City of Walker	4	4	4	4	4
Grand Rapids Township	35	34	36	36	36
Algoma Township	0	0	27	27	27

Source: Plainfield Charter Township records

Hungerford, Aldrin,  
Nichols & Carter, P.C.  

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C P A s   A N D   C O N S U L T A N T S

March 10, 2006

The Township Board  
Plainfield Charter Township  
Kent County, Michigan

The following comments pertain to our audit of the financial records of Plainfield Charter Township as of and for the year ended December 31, 2005. The comments are made in accordance with Statement on Auditing Standards No. 61 "Communication With Audit Committees" which requires that in certain audits, certain matters are to be communicated to those who have responsibility for oversight of the financial reporting process. The communications required by this statement, if pertinent to the examination, are as follows:

1. Auditor's Responsibility Under Generally Accepted Auditing Standards.
2. Significant Accounting Policies.
3. Management Judgments and Accounting Estimates.
4. Significant Audit Adjustments.
5. Other Information in Documents Containing Audited Financial Statements.
6. Disagreements With Management.
7. Consultation With Other Accountants.
8. Major Issues Discussed With Management Prior to Retention.
9. Difficulties Encountered in Performing the Audit.
10. Uncorrected misstatements (passed audit adjustments).

The communications specified by the Statement are incidental to the audit and are not required to occur before, nor do they affect, our auditor's report on the Township's financial statements.

The following are the matters to be communicated by SAS No. 61 based on our observations during the course of our audit of the financial statements and our review and evaluation of the internal control system of the Plainfield Charter Township.

### **Auditors Responsibility Under Generally Accepted Auditing Standards**

We conducted our audit in accordance with Generally Accepted Auditing Standards (GAAS). Those standards require that we plan and perform the audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. We are required by GAAS to obtain a sufficient understanding of the internal control structure to plan the audit and to determine the nature, timing and extent of tests to be performed. The purpose of the audit was to report on the financial statements and not to provide assurance on the internal control structure. Because of inherent limitations in any internal control structure, errors or irregularities may occur and not be detected.

### **Significant Accounting Policies**

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by Plainfield Charter Township are described in Note A of the Notes to Basic Financial Statements.

### **Difficulties Encountered In Performing The Audit**

We encountered no significant difficulties in auditing the records of the Township for the year ended December 31, 2005. Township accounting personnel and both the Treasurer's and Clerk's departments are maintaining a timely, accurate and efficient record keeping system.

### **Significant Audit Adjustments**

During the course of our audit only one adjustment of a significant nature was made to the accounting records of the Township to bring the balances to those presented in the financial statements. One other small adjustment to reclassify an inter-fund transfer was also recommended and made. These adjustments have been entered into the Township's computer accounting system by Township accounting personnel to bring Township records into agreement with audited balances.

#### **General Fund**

1. \$36,195 to adjust the year end receivable from the State of Michigan for revenue sharing to the actual amount received in 2006.

There were no adjustments proposed during the audit not recorded by Plainfield Charter Township.



### **Suggestions And Recommendations**

We offered suggestions and recommendations regarding the day-to-day operations of the Township computer and accounting systems to the Accounting Manager, Treasurer, Clerk, Township Manager and other accounting personnel of the Township as the topics arose during the course of our audit field work. Hopefully, these suggestions will improve the operations of the Township and assist in more efficient monthly and year end financial record keeping and reporting.

\* \* \* \* \*

This communication is intended solely for the information and use of the Plainfield Charter Township Board of Trustees, administration and others within the organization. We have furnished a copy of this letter to the Michigan Department of Treasury as an enclosure with the audit report as required by the State of Michigan.

We appreciate the opportunity to provide financial auditing and advisory services to the Plainfield Charter Township and hope to continue to do so in the future. We also appreciate the dedication and cooperation of the Accounting Manager, Treasurer, Clerk, Township Manager and other accounting personnel in performing their functions and in assisting us in completing ours. If there are any questions regarding the audit report, or the attached communication, we will be happy to address them.

*Hungerford, Aldrin, Nichols & Carter, P.C.*

Certified Public Accountants